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U.S. Reclaims Factory Jobs As Recovery Grows Wider

Prospect of Expansion With Little Inflation Pushes Markets Higher

By Lawrence Malkin International Herald Tribune

NEW YORK — The government reported Friday that manufacturing jobs began to increase in November, indicating economic recovery was at last extending to the U.S. labor market.

The unemployment rate fell to 7.2 percent from 7.4 percent and is now half a percentage point below July. Until now, this decline had been deceptive because it reflected the fact that thousands of discouraged workers were dropping out of the labor force and lowering the base against which the percentage is calculated. But last month, the rate fell even as 279,000 people moved back into the labor force by declaring they were ready to look for work.

Private and government economists pinpointed the 35,000 new jobs in manufacturing as the most significant figure in the monthly employment report. The economy has lost more than 150,000 factory jobs in three months and now seems to be climbing back on small increases in retail sales, factory orders and a general rise in confidence.

For the economy as a whole, the gain was 105,000 new jobs, but 45,000 of them represented temporary local government workers for the November elections. Subtracting them brings the figure close to what many economists had expected, but still includes some post-election hiring.

"From now on the growth in payrolls will be steady but not high," said Audrey Freedman, a labor economist and president of the consulting firm Manpower Plus. "We are fighting negative trends — a decline in economies overseas, which will cut our export jobs, and a continuing cutback in military spending that means major readjustments in the labor force."

This slow-growth scenario was comforting to the financial markets, which saw it as relaxing the political pressure on President-elect Bill Clinton for a quick stimulus package that might frighten bond buyers into demanding higher interest rates. The government bond market advanced, which helped the dollar rise about a penny against the Deutsche mark. Stock prices firmed in choppy trading.

It is also becoming clear from statements by Federal Reserve governors that they are prepared to accommodate an economic recovery by neither tightening nor loosening the availability of credit as long as inflation remains low. The Fed chairman, Alan Greenspan, whose leadership of the central bank drew praise from Mr. Clinton during the campaign, paid his first visit to the President-elect in Little Rock, Arkansas. Neither said anything afterward.

Exactly how fast the economy now will improve is a principal subject of speculation in New York, Washington, and Little Rock. "Not too cold, not too hot. Just right," remarked Edward Yardeal of C.J. Lawrence, reflecting a common Wall Street view.

Economic growth of 3 percent next year, which many economists think is within halting distance, would cut unemployment by an additional half a percentage point, said Allen Sinai of Boston Co., putting the new president in "a win-win situation." He added: "The economy is up and running. Whether to apply stimulus is still a judgment call. I don't think it's needed, although there should be a program ready to go just in case."

Lawrence Katz, a Harvard University labor economist who has advised Mr. Clinton, said it

'We will not tolerate armed gangs ripping off their own people, condemning them to death by starvation.'



Soldiers from the army's 10th Mountain Division going through a readiness check at Fort Drum, New York, for deployment to Somalia.

U.S. Rekindles Issue of Serbs' Flight Ban

By Elaine Sciolino New York Times Service

WASHINGTON — The United States, having concluded that Serbia is routinely violating the UN ban on flights over Bosnia-Herzegovina, is consulting its allies on a possible resolution authorizing force to stop the flights, according to senior administration officials.

The officials said that the United States might be prepared to introduce a resolution at the United Nations as early as next week enforcing the ban, which could eventually lead to allied combat planes threatening to shoot down Serbian aircraft that defy the ban.

The ban was imposed by the United Nations in October to try to stop Serbian forces advancing through Bosnia in their campaign of "ethnic cleansing," in which they have killed or expelled Muslims and Croats. At the time, there were warnings that enforcement of the ban could lead to problems.

The Serbs never ceased flying transport helicopters and gunships and they resumed flights of fixed-wing warplanes in mid-November, officials said. In the last month and a half, the United States has confirmed more than 200 unauthorized flights.

European and U.S. officials have been reluctant to do anything about the violations because they do not want allied peacekeeping forces in the area to become targets or be sucked further into the war raging in the Balkans after the breakup of Yugoslavia last year.

Acting Secretary of State Lawrence S. Eagleburger is expected to raise the issue with more than two dozen foreign ministers at a conference on Bosnia in Geneva this month.

The British government Thursday gave its strongest public indication that it might be willing to support some degree of enforcement of the ban. But there remains considerable disagreement inside the Bush administration over whether to enforce the ban, and if so, how, with some officials questioning the wisdom of using allied combat planes to shoot down Serbian aircraft.

U.S. officials who favor maintaining the status quo, including a number of senior Pentagon officials, argue that imposition of the ban has

Bush Sends Force To Somalia, With Clinton's Support For Mercy Mission

Compiled by Our Staff From Dispatches

WASHINGTON — President George Bush, pledging to "save thousands of innocents from death," ordered Marines and army soldiers Friday to Somalia to begin America's largest military humanitarian mission.

"We will not tolerate armed gangs ripping off their own people, condemning them to death by starvation," Mr. Bush said in an address from the Oval Office.

It was an extraordinary situation for the United States, with a lame-duck president committing American forces to a military humanitarian operation 47 days before President-elect Bill Clinton takes power.

"I share his determination to ensure the success of this important mission," Mr. Clinton said in Little Rock, Arkansas.

Mr. Bush pledged that U.S. forces would come home as soon as possible, but the administration backed away from its earlier goal of withdrawing them by Inauguration Day, Jan. 20.

About 250,000 Somalis have died and 1.5 million are at risk of death from starvation and disease, Mr. Bush said. He tried to assure Americans that he was not starting a long involvement.

"This operation is not open-ended," he said. "We will not stay one day longer than is absolutely necessary."

Defense Secretary Dick Cheney said there should not be "an artificial deadline established by our own political calendar." He said he hoped to begin turning over the operation to UN forces by the time Mr. Bush leaves office, "but I don't want to be bound by that."

Mr. Bush said "Operation Restore Hope" was officially under way, although Pentagon officials said a vanguard force of 1,800 Marines was expected to land in the northeast African nation no earlier than Monday.

The Pentagon diverted a three-ship battle group headed by the aircraft carrier *Ranger* to Somalia from the Gulf. The carrier was expected to arrive off Somalia's coast on Monday.

Mr. Bush said he expected forces from "about a dozen" other countries to contribute to the operation, which was authorized on Thursday in a 15-0 vote by the UN Security Council.

The African nations of Kenya, Nigeria and Zimbabwe offered troops. President Francois Mitterrand said France would send 1,500 to 2,000 troops. Canada announced that it would contribute as many as 900 troops, and Belgium agreed to send 550 paratroopers.

Britain probably will offer the use of transport planes. Officials said Prime Minister John Major has told Mr. Bush that Britain, which was a major force during the Gulf War, would participate in the ground operation in Somalia because of its commitment in Bosnia, where 2,400 British troops are involved in relief convoy escort operations.

In Rome, Foreign Minister Emilio Colombo said Italian troops should reach Somalia by the end of this month. The exact composition of the Italian force that will be joining the U.S.-led military operation has still not been worked out. Italy ruled much of Somalia as a colony for half a century.

Germany will not send any troops. It contends that its constitution bans its army from deployment outside the North Atlantic Treaty Organization.

Mr. Cheney, at a news briefing at the Pentagon, said: "The president has made it clear that



Assault on a Country's Misery

Japan has yet to contribute more than just money to the allied effort. Page 2.

The Somalia project has pulled George Bush from his postvote doldrums. Page 3.

Paving the way for help to arrive involves a major engineering job. Page 2.

he wants us to undertake this mission in as decisive a manner as possible." He said the U.S. force would include 28,150 troops.

"It is militarily doable," Mr. Cheney said. "We are not seeking a confrontation, we are not going expecting that we will be engaged in heavy combat."

But he added: "There should be no doubt who would prevail should there be hostilities."

Mr. Cheney, emphasizing that U.S. forces were militarily prepared to make sure aid supplies reach the needy, offered reassurance that the United States was not seeking to engage the feuding Somali warlords.

He said the Bush administration wanted to "urge our friends" not to "overplay" the situation. "We are not seeking a confrontation," he added.

Mr. Bush said that the U.S. forces would not dictate the political outcome of Somalia's internal strife and that they intended to secure areas for relief agencies to work in peace.

Mr. Bush said America had been compelled to act. "Only the United States has the global reach to place a large security force on the ground in such a distant place quickly and efficiently and thus save thousands of innocents from death," he said.

The carrier *Ranger*, with its complement of 60 combat warplanes, is accompanied by the *Aegis* cruiser *Valley Forge* and the destroyer *Kinkaid*.

At the press briefing with Mr. Cheney, Gen.

Financial Markets Get Back on the Roller Coaster

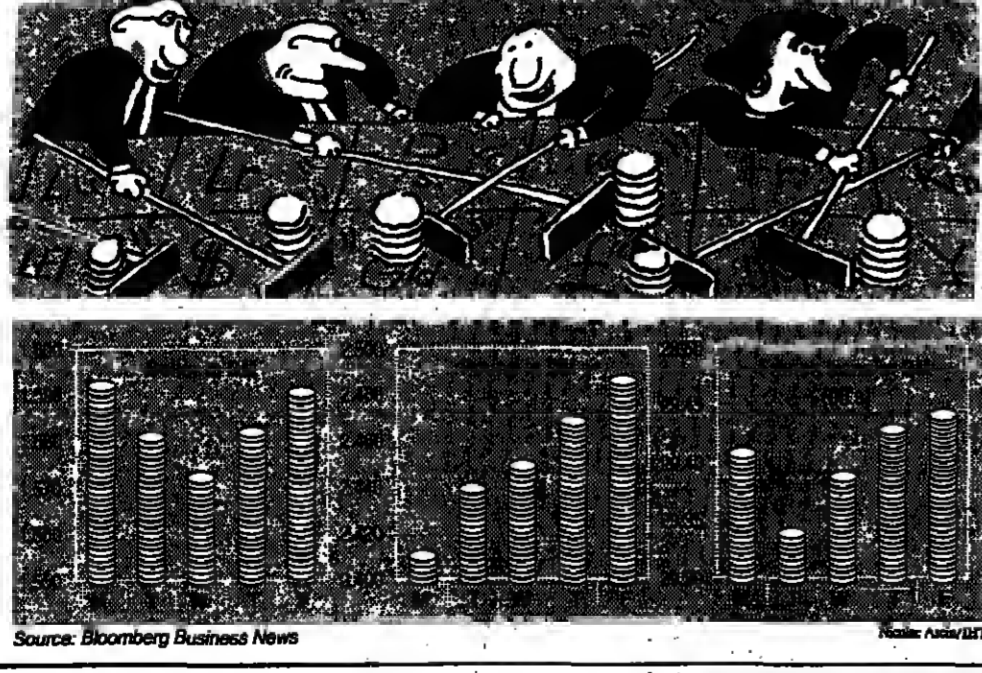
By Tom Redburn International Herald Tribune

PARIS — Just when it looked as if all too many financial markets might be in danger of becoming altogether too predictable, traders were reminded just how quickly things can turn upside down as the pound, the Deutsche mark and the Hong Kong stock exchange flip-flopped.

The battered pound, which had been in retreat since it was forced out of the European currency grid in mid-September, staged a strong rally this week. Meanwhile, the almighty mark took a painful hit, helping to rescue — at least for now — the vulnerable French franc from another speculative attack.

As if in a time warp from the days of the British Empire, more than one analyst even referred to "sterling's safe-haven role."

In Hong Kong, despite the bluntest warning yet from Beijing against Chris Patten's democracy campaign — China threatened to tear up the 1997 hand-over agreement — the blue-chip Hang Seng index surged Friday after four



Source: Bloomberg Business News

days of panicky trading. While analysts warned of more sudden dips in the roller-coaster ride, the Hong Kong stock market regained nearly 6 percent of its losses.

The Hang Seng, which fell more than 1,000 points earlier in the week, gained 289.89 points on Friday, to 5,268.10. (Page 5.)

The action on both sides of the globe was yet another warning, if anyone still needed one, of how easy it is for supposedly ultrarational financial markets to come to resemble a Las Vegas crash.

There were more surprises in U.S. markets, where bonds gained despite a somewhat stronger-than-expected November employment report, which normally would have been expected to undermine any rally. The dollar, which typically rises as the economy gains strength, mostly treaded water.

Explanations abounded, of course, for the seeming paradoxes. Evidence of a stronger U.S. economy, for example, may encourage President-elect Bill

Mogadishu Awaits Troops With Hope and Anxiety

By Jane Perlez New York Times Service

MOGADISHU, Somalia — As the first ship of the American-led United Nations military intervention to save starving Somalis was sighted off the coast here this morning, this capricious city swirled in an uncertain atmosphere of anticipation but also disquiet.

Much of the anxiety had little to do with whether the hungry, who are in the countryside, would get food, but how order would be restored in a city terrorized for two years by gangs of teenage gunmen with a license to loot.

Would the troops protect Somalis against other Somalis, many asked. Law-abiding people were worried that they would become the prey of looters no longer able to live by robbing humanitarian convoys and warehouses.

And merchants who have profited more than the destitute from the relief aid were concerned that the gunmen they had hired to ambush convoys might suddenly turn on them if the convoys became looter-proof.

The tensions showed that the people of Mogadishu, weary of lawlessness spawned by a two-year clan conflict, wanted more from the arriving troops than well-organized food convoys.

"People are asking how will the United States protect Somalis against looters," said Adan Mohammed Ali, a journalist, who like almost all legitimately employed Somalis works for a relief agency.

"The gunmen were making their living off donated food," he said. "If they don't have food to loot the danger will now be against the local houses and markets. It is impossible for these gunmen to take a begging bowl and stand in line."

Estimates differ on the number of armed men in the southern part of Mogadishu, where the first targets of the American troops — the port and the airport — are situated.

Some longtime relief workers believe there may be as many as 50,000 armed "paramilitary men" hidden amid the sprawling shacks and squatting in the desecrated white-washed villas that dominate the skyline here.

The International Committee of the Red Cross, which has established 140 outdoor kitchens in the south of the city, and a similar number on the north side, said that it always

Kiosk

EC Group Rejects British Proposal

BRUSSELS (Reuters) — The Christian Democrat leaders of Germany, Belgium, Greece and Luxembourg objected Friday to proposals by Britain, the current European Community president, to overcome Denmark's rejection of the Maastricht treaty.

Wilfried Martens, a former Belgian prime minister, said after talks to coordinate stances before next week's EC summit meeting in Edinburgh that all wanted a Europe of 12 but would press ahead with fewer countries if governments proved unable or unwilling to accept their commitments.

Related Article, Page 9.

Dow Jones	Up 12.15	Trib Index	Up 0.08%
	3,288.88		90.19
The Dollar	1.593	Previous Close	1.593
DM	1.595	1.594	
Pound	1.595	1.594	
Yen	124.95	124.67	
FF	5.407	5.3875	

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Take It From Her, the Judge: Lighten Up on Men

By David Margolick New York Times Service

NEW YORK — Maryanne Trump Barry likes to joke that in New York she may be seen merely as Donald Trump's sister but that in New Jersey, where she has been a federal judge since 1983, Donald Trump is seen primarily as her brother. That was arguably true last month, when her heterodox views on sexual harassment made Page 1 of many of the state's newspapers.

Since President Ronald Reagan named her to the U.S. District Court, Judge Barry, Donald Trump's older sister, has won praise for her intelligence and outspokenness. It was her outspokenness that was most evident on Nov. 20 when she told 900 federal law-enforcement agents in Washington, most of them female, that women should lighten up a bit on the subject of sexual harassment.

Judge Barry said that undue sensitivity and an excessively confrontational attitude of some women in the workplace was poisoning relations between the sexes.

Because of a few "professional hypochondriacs," she said, good and well-meaning men are afraid to be themselves, and the more serious problems women face in the work force remain unaddressed.

"I stand second to none in condemning sexual harassment of women," she told the Interagency Committee on Women in Law Enforcement. "But what is happening is that every sexy joke of long ago, every flirtation, is being recalled by some women and revised and re-evaluated as sexual harassment. Many of these accusations are, in anybody's book, frivolous."

Making a big deal out of slight slights, she argues, not only angers men needlessly but trivializes the serious problems women face in advancing in the predominantly macho male world of law enforcement. It also has made

See FLIRT, Page 5

To Pave the Way for Somalia Aid, a Major Engineering Job

By John Lancaster
Washington Post Service

WASHINGTON — The first days of the U.S.-led military relief effort in Somalia will essentially amount to a massive 24-hour-a-day engineering project aimed at setting up adequate port and airfield facilities in the capital of Mogadishu, according to Pentagon officials.

That will occur simultaneously with the arrival of roughly 23,000 Marines and army soldiers, most of them flown from the United States, who are to be deployed as needed around the country to ensure the delivery of food to starving Somalis, the officials said.

The Pentagon plans for the overall number of U.S. military personnel to grow eventually to about 27,000, sources said.

Other countries that have pledged to contribute troops to the relief effort are France, Pakistan, Morocco, Italy, Belgium, Canada and Egypt, while five more

nations have made tentative offers, according to a senior White House official. Pakistan has already deployed a small peacekeeping force to the Mogadishu airport under UN auspices.

"This will definitely be an expeditionary environment, living off the land and off of what you brought with you," the Marine Corps commandant, General Carl E. Mundy, said in an interview Thursday. "The infrastructure is very, very rugged."

As General Mundy and other officials described it, the operation essentially will begin with a helicopter and amphibious landing in Mogadishu by 1,000 Marine combat troops from the floating task force. Once airport staging areas have been set up, the remainder of the troops are expected to begin arriving on air force transport planes from the United States.

General Mundy said other Pentagon officials played down expectations of violent conflict with armed Somali clans-

men, saying the emphasis would be on peacekeeping and humanitarian aid.

"We don't anticipate this to be an assault in the sense of hitting a hot zone and start shooting people," General Mundy said. "The ultimate purpose is to feed the people, to establish food distribution points... to say, 'We are here to help.'"

Pentagon officials do not officially reveal the rules under which U.S. troops are allowed to use their weapons in military operations, although General Mundy said he expected that Marines who come under fire in Somalia will be able to defend themselves.

"I would hope the rules of engagement would say we can shoot back, and I would think they would," he said.

Pentagon officials said the plan, prepared by General Joseph P. Hoar of the Marine Corps, chief of the Central Command, envisions a mostly ground-based operation with no need for attack heli-

copters or tactical aircraft. They said, however, that the aircraft carrier *Ranger* was in the Indian Ocean and could be called upon if a stronger show of force became necessary.

Pentagon officials have generally played down the suggestion earlier this week from the UN secretary-general, Boutros Boutros Ghali, that military force be used to disarm Somalis and "neutralize" their heavy weapons.

General Mundy and another senior Pentagon official who asked not to be identified said military planners are considering whether to offer bounty payments to those Somalis who are willing to turn in their weapons, a strategy commonly used in Vietnam and, more recently, during the Gulf War.

Pentagon officials emphasized that the U.S.-led forces will not be able to begin moving into the countryside to set up secure areas until the port and airfield at

Mogadishu have been adequately prepared.

The port, for example, is so shallow that it may pose problems for military cargo vessels. The docks lack cranes for unloading supplies. The airport parking area is not large enough to handle the large number of military aircraft that would be involved in the operation. The runway, too, has fallen into disrepair and may need to be improved.

Pentagon officials contrasted the situation with that in Saudi Arabia during the buildup to the Gulf War, which was made much easier by that country's sophisticated infrastructure of airports, ports and highways.

Most of the supplies for the operation will be carried on four ships based at Diego Garcia Island in the Indian Ocean. The ships carry water purification plants; fuel for helicopters and armored vehicles; bulldozers and other heavy equipment; food; ammunition, and other supplies.

WORLD BRIEFS

U.S. Said to Have Mach-8 Spy Plane

LONDON (AP) — The U.S. Air Force is operating a new generation of secret spy planes capable of reaching eight times the speed of sound, Jane's Defense Weekly said Friday. In a report prepared for next week's issue, the military affairs magazine said the triangular-shaped planes have been in service since 1989.

"We've been working on this report for about three years," Jane's editor, Paul Beaver, said. "The evidence has grown overwhelming. All we need now is a photograph to prove that it exists." He quoted the report as saying that the \$1 billion plane, called Aurora, could reach cruising speeds of up to Mach 8, or 8,512 kilometers (5,280 miles) per hour. This is more than two and a half times the official world record.

A Mach-8 plane would be able to reach any point on the globe in less than three hours. Such a plane, fueled by liquid methane, would be of potentially greater use than high-resolution images from orbiting spy satellites, which can take 24 hours to arrive over the subject, according to the report. The military continues to deny the existence of Aurora, Mr. Beaver said.

Upbeat End to Beijing-Hanoi Talks

HANOI (Reuters) — China and Vietnam issued a communique on Friday saying they had agreed to speed up negotiations on their territorial disputes and to use their newly normalized relations for building stability in the region.

The communique was issued as Prime Minister Li Peng ended a five-day visit to Vietnam, the first by a Chinese prime minister in 21 years. Mr. Li's talks in Hanoi took place in an atmosphere of "friendship, sincerity, frankness, mutual respect and understanding," according to the statement.

During his visit, Mr. Li assured Vietnam and other Southeast Asian countries that China had no expansionist plans in the region. But Vietnam made it clear that Mr. Li's trip had not resolved territorial disagreements that have strained relations.

Tanker's Bow Sinks, Ending Oil Fire

LA CORUÑA, Spain (AP) — An oil fire that burned all night after the breakup of a Greek tanker here went out after the bow of the vessel sank, a government spokesman said Friday. The tanker, the *Agios Ios*, ran aground Thursday in heavy fog and rough seas.

A large oil slick was headed out to sea Friday, driven by shifting winds, and about 300 residents returned home after being evacuated as a precaution, the authorities said. No new evacuations were ordered in La Coruña, a city of 250,000 on Spain's northwest coast, although schools were closed for the day. The police detained the ship's captain, Constantine Stavridis, and he and other crew members were being questioned.

Environmentalists were unsure how much damage would result from the 20-kilometer (12-mile) oil slick. "The first oil-drenched birds are appearing along the coastline," said Raul Garcia of Bio Topo, a local ecological group. "It's very early to evaluate the impact, but the initial information indicates that this will be disastrous."

U.S. Aide Guardedly Salutes Hanoi

WASHINGTON (Reuters) — General John W. Vessey Jr., a special presidential negotiator, said Friday that Hanoi should be rewarded for providing information on the fate of U.S. troops missing from the Vietnam War, but he stopped short of recommending the end of a U.S. embargo.

While the former chairman of the Joint Chiefs of Staff said that Washington should reciprocate for Vietnam's recent opening of wartime archives, he added, "I don't believe that now is the time to immediately announce normalization or necessarily a lifting of the embargo."

He spoke at the final public hearing of the Senate Select Committee on POW/MIA Affairs, which was concluding a yearlong investigation. The Defense Department lists 2,264 Americans as missing from the war or killed in action without recovery of remains.

27 Bombings in Corsica Tax Protest

AJACCIO, Corsica (Reuters) — Nationalists set off 27 bombs on Corsica and in mainland France early Friday in a campaign to preserve a special tax status for the French Mediterranean island.

The devices caused serious damage to tax offices but no casualties. Interior Minister Paul Quilès called the bombings "very worrying." In a separate incident, armed men abducted a bank manager from his home in Bastia on Friday and held him for several hours until a ransom was paid. No one claimed responsibility for the kidnapping.

For the Record

The Irish Republican Army claimed responsibility for two bombings in Manchester that wounded 64 people and for depositing a van loaded with explosives found in London. "Active service units of the IRA carried out this week's military operations aimed at government and commercial targets in London's West End and Manchester," the group said in a statement.

Fighting worsened in the Tajikistan capital, Dushanbe, on Friday as backers of the Communist government battled Islamic and allied forces. Reports said that as many as 60 people had been killed and at least 15 wounded.

Correction

The Arts Guide in the Leisure pages of Dec. 4 listed an incorrect phone number for L'Espace Sufferin in Paris. The correct number is 4734 9935.

TRAVEL UPDATE

The Bristol Hotel in Warsaw, a favorite venue of artists and statesmen since 1901, has reopened after 12 years of intermittent renovation. (AP) A fire broke out Friday aboard an English Channel ferry as it entered the harbor at Newhaven, England, en route from Dieppe, France. A spokesman for the ferry company Sealink said on passengers were injured, but 24 crew members were treated in a hospital for smoke inhalation. The Sealink spokesman said a wiring problem caused the fire, but little damage had been done to the ferry.

USAir and Delta Air Lines are joining their competition in cutting some domestic fares up to 35 percent. The discounts, already begun by Continental Airlines, are designed to encourage travelers to fly during the slow period between Christmas and college spring breaks. American, United and Northwest airlines have said they would match the fares in markets where they compete with Continental. (BBN)

Khmer Rouge Frees 6, Warns UN to Stay Out

Phnom Penh — The Khmer Rouge warned United Nations peacekeepers Friday to keep out of its zones, just hours after the guerrillas freed six UN soldiers and checking the coordinates on the map in order to help the Vietnamese and Phnom Penh forces.

"We have already warned them several times not to enter into these areas without prior permission," the statement said.

Cambodia's four factions — including the Khmer Rouge — authorized the United Nations Transitional Authority in Cambodia, or UNTAC, to stabilize the country when they signed a peace accord last year ending 13 years of civil war. The UN force is supposed to be allowed access to the zones of all four factions, but the Khmer Rouge will not allow them to enter its zone.

"He was definitely in communication with a higher authority," Colonel Walton said at a news conference at Phnom Penh airport. He said that the officer frequently left the six during negotiations with the 25 UN peacekeepers who had been sent to secure their colleagues' release.

The Khmer Rouge, which calls itself the National Army of Democratic Kampuchea, issued a statement Friday as the hostages were being released. The group said that it had "arrested" the six UN soldiers because "they were spying, taking photos and checking the coordinates on the map in order to help the Vietnamese and Phnom Penh forces."

Now Liberians Ask, Will U.S. Help Us?

By Keith B. Richburg
Washington Post Service

MONROVIA, Liberia — All across this war-ravaged capital last month, from the corridors of the presidential office building to the abandoned schools and hospital courtyards where displaced people live, the question was always the same: Was it true, Liberians asked an American reporter, that U.S. Marines were waiting in a ship off the coast, ready to invade and end this country's long suffering?

The answer was no; American intervention here was highly unlikely. The United States was unwilling to involve itself in what was seen as essentially a nasty tribal war on a faraway shore. As a State Department official put it, "It is not the American responsibility to solve the problem of Liberia."

But that was before the Bush administration's decision to offer a division of U.S. ground troops to help in Somalia, where clan warfare and a breakdown of government have disrupted efforts to feed millions of starving people.

A decision to send U.S. troops into Somalia might at first seem to mark an important turnaround. In the post-Cold War world, America is showing its willingness to commit troops to save lives on a continent that has little strategic value.

If the rationale for U.S. military intervention in Somalia seems compelling — haunting images of starving children, gun-toting young thugs stealing relief supplies — a similar case could be made elsewhere in Africa for such rescue operations.

Liberians feel their civil war warrants American intervention, if only because many of them hold Washington partly to blame for the country's slide into chaos.

In the 1980s, the United States propped up the dictatorship of Samuel K. Doe with more than \$500 million in aid, despite evidence of human rights violations, corruption and vote-rigging.

Similarly in Zaire, opposition leaders say the United States should intervene to remove its

longtime Cold War ally, President Mobutu Sese Seko.

Liberia and Zaire, along with Somalia, once were considered America's most important strategic partners in Africa. With Sudan and Kenya, they received the vast majority of U.S. aid to the continent.

But as an Africa scholar of the Aspen Institute, Pauline Baker, put it, the United States has "no sense of lingering responsibility" to make up for past policy mistakes with intervention in local conflicts.

"We were there during the Cold War for our own purpose," she said, "which was to prevent the advance of communism in the Third World."

Somalia offers some differences from these other cases, however. Most obvious is the widespread famine. Relief workers have called Somalia the world's greatest current catastrophe, comparable only to Bosnia. About 300,000 Somalis are believed to have died, with 2 million more at risk.

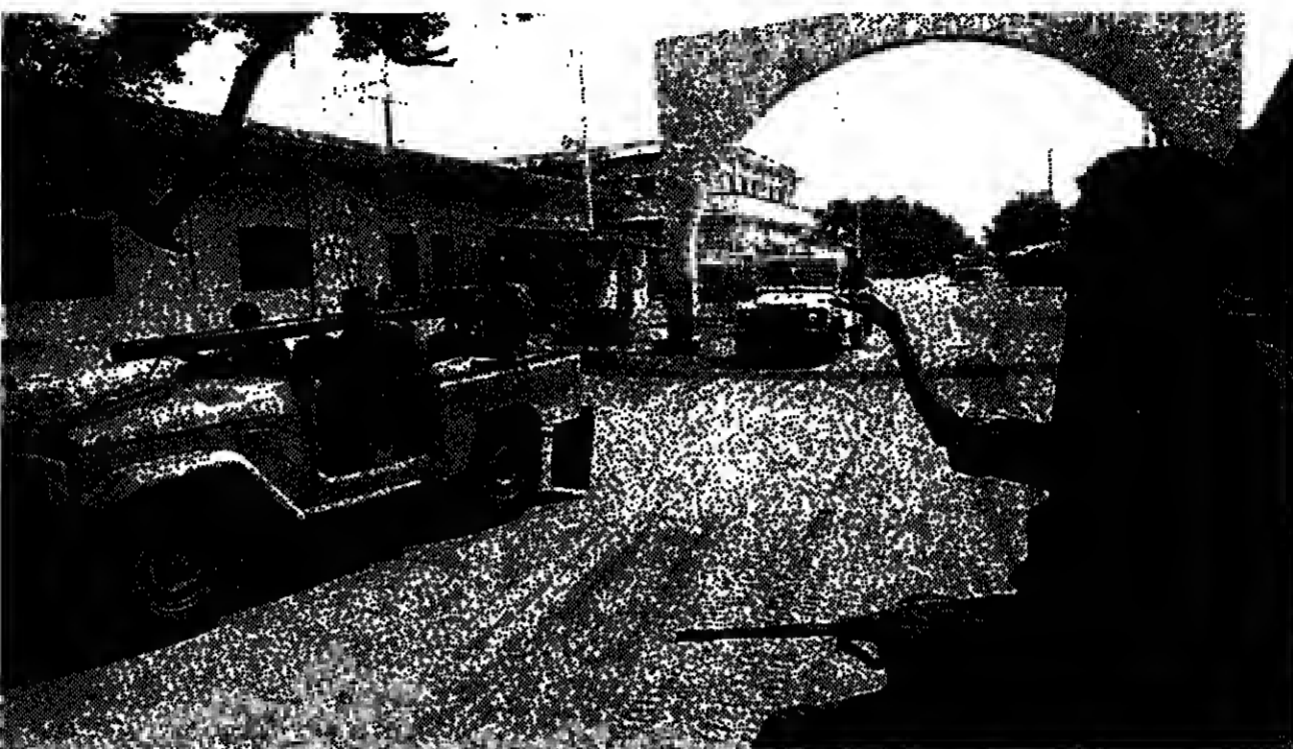
"I think Somalia is almost unique, in the sense that there is mass suffering of innocent people," said T. Frank Cooper, who was U.S. ambassador to Somalia during the last years of Mohammed Siad Barre's regime, which was overthrown in 1991. "We have a fundamental national interest in humanitarian problems. On the other hand, I don't believe there's all that much interest in who governs Liberia."

Somalia presents a unique case, in that government and all administrative structures have ceased to exist, leaving just a collection of warlord fiefdoms.

By contrast, in Liberia, despite the war, an interim government has managed to maintain a semblance of administrative authority, backed by a Nigerian-led seven-nation West African force.

The presence of that force in Liberia also allows Washington to sustain a hands-off policy on the basis that Mourovia is still a regional problem being addressed by neighboring countries.

Still, the presence of the West African force has not kept Liberians from asking, "Where are the Americans?"



Fighters patrolling Kisumu in southern Somalia, which U.S. military strategists have been considering as a site for unloading supplies.

Japan's Role Is Limited, and Familiar

By T. R. Reid
Washington Post Service

TOKYO — Once again, a U.S.-led multinational force is headed to a danger zone, with a coalition of countries sending troops, weapons and supplies. And once again Japan, the world's second-richest nation, is sending only checks.

The Japanese government, consequently, is concerned that it again faces a tough choice between its traditional role as a nonparticipant and its growing desire to become an important player in geopolitical affairs.

"Somalia will not be a repeat of the Gulf crisis," for Japan, a Foreign Ministry spokesman, Masamichi Hanabusa, said Friday. "We learned a traumatic lesson then," he said, referring to criticism of Japan for not sending any support other than money to the allied forces in the Gulf War.

But despite long meetings on the subject here this week, Tokyo has so far decided on only one course: to create a special fund to provide money to the allied forces headed for

Somalia. Japan has already provided \$27 million this year in food aid to Somalis.

Discussing the possibility of a Japanese role in the multinational effort, Mr. Hanabusa sounded much like Japanese spokesmen two years ago explaining why Japan could not send support personnel to the Gulf.

"The location is remote from Japan," Mr. Hanabusa said. "Our capabilities are limited."

"We have legal restraints," he added. "After the global criticism of its Gulf War decisions, Japan engaged in an impassioned national debate about its proper role in the world. The result was a new law authorizing Japanese troops to join UN peacekeeping operations in certain circumstances. Under that law, a Japanese unit is now stationed with UN forces in Cambodia."

But the Foreign Ministry spokesman said Friday that "the present situation which exists in Somalia does not seem to satisfy" the requirements of the new law authorizing Japanese participation in international efforts.

Japan, with one of the world's largest military budgets, a quarter-million troops, and advanced transport equipment, has not been asked to play any part in the joint force in Somalia, Mr. Hanabusa said Friday.

But a group of U.S. congressmen visiting here this week said they made it clear that Japanese participation was expected.

"Check-writing is probably not enough any more," said Representative Patricia Schroeder, Democrat of Colorado.

There are signs that some officials here want Japan to take an active role in Somalia, and do so quickly. But the public's dislike of anything military, and the government's current entanglement in a scandal over alleged payoffs, may make it hard to reach any decision.

"If there is some contribution not directly related to combat, it is possible for us to provide it," said Koichi Kato, spokesman for Prime Minister Kiichi Miyazawa's cabinet. "But what is legally possible, and what we have the political will to do — those are two different things."

Rights Group Fires Outspoken Somali Activist

Washington Post Service

NEW YORK — A well-known Somali activist, Rakiya Omar, has been dismissed by the human rights organization Africa Watch for opposing the planned United Nations military intervention in Somalia.

The dismissal of Ms. Omar, a lawyer who helped establish Africa Watch and served as director for four years, dramatizes an increasingly public debate among Somalis and Africa experts over the consequences of Western intervention.

In one of the statements that led to her dismissal, Ms. Omar said on CNN in late November that she believed the "sudden arrival of 20,000 or 30,000 U.S. troops without prior consultation with Somalia's underground and with the relief organizations" would escalate the violence.

Kenneth Roth, deputy director of Human Rights Watch, the New York-based organization that includes Africa Watch, said Ms. Omar had been fired "for insubordination and failure to abide by our internal procedures on establishing a policy."

He said the organization had been calling for UN military protection for food supplies for months.

19 South Africa Whites Hurt in Terror Attack

By Bill Keller
New York Times Service

JOHANNESBURG — South African police said Friday that they believed a black guerrilla faction was responsible for a satchel bomb that exploded in a popular steakhouse late Thursday night, wounding 19 patrons and adding to growing alarm about a threatened terrorist campaign against white civilians.

No one claimed responsibility for the blast in the Eastern Cape town of Queenstown, but the police said they suspected the guerrilla wing of the Pan Africanist Congress, a militant black nationalist group, which boasted it had mounted a deadly raid last Saturday at a golf club 90 kilometers (60 miles) away in King William's Town.

The attacks were the first cases of political terror against whites since the 1980s. They erupted as the white government was engaged in a new round of talks with the African National Congress aimed at speeding the transition to democracy.

The three-day meeting ended Friday with a joint declaration of determination to accelerate the transition. No details were disclosed of new agreements.

Delegations from the two sides had hoped to reach agreement on a target date for the first elections in which the country's 30 million black majority would participate.

The attacks on white social gatherings are widely taken as an attempt to disrupt the coalescing agreement on a new South Africa, by militants who contend that the African National Congress has compromised too much with the white rulers.

"It is the work of desperados who are not confident of pitting their strengths against other parties" in a democratic election, which they realize is imminent," said the African National Congress branch in the region of the recent killings.

Whites have grown accustomed to rising crime and even sporadic killings of police, but they have not had to contend with the kind of

DEPLOY: Bush Sends Force, With Clinton's Support

(Continued from page 1)

eral Colin L. Powell, chairman of the Joint Chiefs of Staff, said the plan had four phases:

• A vanguard Marine expeditionary unit would arrive first and establish bases at the capital, Mogadishu, and the inland town of Baidoa, so humanitarian relief convoys and ships can bring in additional supplies for the starving.

• Army forces from the 10th Mountain Division, a light infantry unit based at Fort Drum, New York, would join forces with the Marines in Baidoa and establish bases at Baled Un, Oddur and Galalasi to the north of the Somali capital.

• The operations would then expand into Kisumu, a seaport in the extreme south of Somalia, and Bardera.

• The operation would be handed off to UN observer Somalia forces, with U.S. forces then withdrawing at some unspecified date.

General Powell said he expected it would take "two to three months" before it would be "totally over," calling that his "best guess," of which he was "very confident."

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SOMALIS: Anxiety Mingles With Hope as Mogadishu Awaits Troops

(Continued from page 1)

consulted with the local security men before opening a kitchen.

Volatile mood changes among these gunmen are common, especially after an afternoon feast of khat, the narcotic leaf that many Somalis chew after lunch and into the night. "There are violent feelings underneath and some have very short fuses," said the Red Cross worker.

Mr. Ali said he had informed one of the gunmen who protected relief agencies' supplies that he would be out of a job soon. "That's impossible," the gunman fumed, according to Mr. Ali.

In another sign of defiance, two young gunmen took their rifles inside the Hodon Mosque, a Somali businessman who attended midday prayers said. "We are revolting against the U.S. troops," one of the young men said.

But some gunmen said that if the troops made things too tough for them in Mogadishu they would disappear to the countryside. There were reports Friday of offers to sell armed jeeps, known as "taxicabs," and of inquiries

about whether the Americans would be interested in renting them, just as the aid agencies have for up to \$125 a day.

Already many jeeps loaded with gunmen are said to have left the south side of Mogadishu for Baidoa, 150 miles west of here, where tens of thousands of people have perished in the past month.

From Baidoa, the jeeps are believed to be headed for Bardera, in the southwest, another epicenter of the famine. General Mohammed Farrah Aidid, a major participant in the warfare, has vowed to take the town back from an opposing warlord, creating potential trouble for U.S. troops wanting to secure the place for food deliveries.

To a more conciliatory sign, several jeeps careered around the central streets of the southern half of Mogadishu on Friday with signs reading "Somalia needs peace and bread."

It was no doubt a message conceived by General Farrah Aidid, whose unexpected approval last week of the intervention set a tone of acceptance here.

But even as General Farrah Aidid was sending out friendly signals through his gunmen, a statement from his political group, the Somali National Alliance, condemned the United Nations, Italy and Egypt.

"The world community recognizes the United Nations and its secretary-general's failure in their effort to rescue Somalia, therefore we people of Somalia categorically reject foreign troops headed or commanded by the United Nations," the typewritten statement said.

Somalis, who are bereft of telephones and television and get almost all information from the BBC radio, were asking whether the imminent troop arrival was led by the United States or the United Nations. After months of watching UN efforts to deliver food and improve the security situation but failing, many Somalis say they have lost patience with the world body.

"Whether it is the United States or the United Nations — this makes an important difference," said a Somali who works at the UN offices in Mogadishu. "If it is the United Nations it will be useless."

TRANSITION / BACK TO CENTER STAGE

July, 1993

★ POLITICAL VOICES ★

Clinton Talks Economics With Greenspan

LITTLE ROCK, Arkansas — As he faces decisions about an economy that is finally showing signs of improvement, President-elect Bill Clinton met with the chairman of the Federal Reserve Board and approved the initial guest list for a conference on the economy that has doubled to 215 participants.

Because the Federal Reserve controls interest rates, its chairman, Alan Greenspan, has as much influence over the economy as anyone in the government. Mr. Clinton summoned him to the Governor's Mansion here for their first meeting since the election.

"Governor Clinton wanted to meet with Chairman Greenspan to establish a sound working relationship, to talk about the state of the economy and to lay the groundwork for a productive relationship in the future," said George Stephanopoulos, Mr. Clinton's communications director.

The Fed and the Bush administration often clashed because the White House wanted lower interest rates to stimulate the sagging economy. In the Clinton administration, Mr. Stephanopoulos said, while it will be important "to preserve the independence of the Fed," it will also be crucial for both sides to have "a common understanding of the economic situation."

Some analysts have predicted that despite Mr. Greenspan's preference for conservatism, there will be tension between the Fed and the Clinton administration as Mr. Greenspan seeks to keep inflation in check and the new president proposes a stimulus package. Mr. Greenspan was appointed chairman by President Ronald Reagan in 1987 and reappointed by Mr. Bush. His term runs until 1995. (N77)

Short List for Interior Down to 3 Westerners

LITTLE ROCK, Arkansas — President-elect Bill Clinton has narrowed his list of choices for interior secretary to three Westerners: former Governor Bruce Babbitt of Arizona, Senator Timothy E. Wirth of Colorado and Representative William B. Richardson of New Mexico.

All had meetings here last week with Mr. Clinton, and officials said the president-elect was close to a decision. It also is possible that any of the three may get other appointments. Mr. Wirth, who decided not to run for a second term this year, often is mentioned by Democratic officials as a candidate for energy secretary.

Mr. Richardson, of Hispanic descent, has been interested in Indian issues. He sponsored a bill that led to the return of land in the Santa Fe National Forest to a Pueblo tribe. Elected in 1982, he also opposed the Energy Department's development of new nuclear sites in the West.

Mr. Wirth, a close friend of Mr. Clinton's, made his reputation as an expert in land issues and is an ardent supporter of the Endangered Species Act.

Mr. Babbitt has been a friend of Mr. Clinton's for years. He headed a group called Nature Conservancy, a private conservation organization. (N77)

Georgia Law on Runoffs to Get a Day in Court

ATLANTA — A federal judge has agreed to hear arguments in a lawsuit challenging Georgia's runoff law, but refused to block state officials from certifying the defeat of Senator Wyche Fowler by Paul D. Coverdell, a Republican.

Mr. Fowler led Mr. Coverdell by about 35,000 votes in the Nov. 3 election, but failed to win a majority because of the presence on the ballot of a Libertarian candidate, Jim Hudson. In the Nov. 24 runoff, Mr. Coverdell won by about 15,000 votes.

Public Citizen, founded by Ralph Nader, contends that Georgia has no authority to require the election of senators by majority vote since there is no such requirement in the U.S. Constitution. Kenneth Canfield, the group's attorney, said the runoff served as a "screening mechanism" that made it harder for black-supported candidates to win.

The law already is under attack by the Justice Department and black plaintiffs in a lawsuit contending that the majority vote requirement and other Georgia election laws prevented the election of black judges. A settlement agreement is pending, under which the state has agreed to change the method of electing judges. (AP)

Quote-Unquote:

Gerald Rafshoon, who was Jimmy Carter's media adviser, told Bill Clinton's public image: "It looks like they are going to embark on a two-pronged campaign to work with Congress and the insiders, while he knows they will always know he has the ability to go over their heads to the people." (LAT)

Computer Chip Assembly Linked to Miscarriages

By John Burgess
Washington Post Service

WASHINGTON — Women working in computer chip factories have an unusually high risk of miscarriage, apparently due to exposure to chemicals used in making the chips, according to a new study.

In releasing the study, the Semiconductor Industry Association, which represents the \$22 billion a year U.S. industry, announced that it would work to improve worker protection and that it would recommend phasing out the chemicals involved at members' factories.

The four-year study surveyed 950 pregnancies, finding a 14 percent miscarriage rate among women working in the factories, compared with a 10 percent rate for women who did not.

Evidence pointed to exposure to chemicals known as ethylene-based glycol ethers. But the study said that because of the presence of other chemicals in the plants, it was not possible to identify the cause conclusively.

Intel Corp., a major chipmaker that employs about 3,250 women in its manufacturing plants, said it would grant pregnant women transfers to nonfactory jobs at full pay. In the meantime, it would modify its factories to eliminate suspect chemicals, a job that would take up to two years and cost tens of millions of dollars, a company spokesman said.

The study, conducted by the University of California at Davis, is a new blow to the environmental record of chip manufacturers, which have long promoted themselves as clean alternatives to smokstack industries.

About 21,000 women work in plants across the United States that make chips, postage stamp-sized silicon devices packed with microscopic circuitry. They are the basic building block of the electronics age, used in computers and consumer electronics, as well as in cars and appliances.

Despite the relatively few jobs involved, analysts consider the chip plants an important U.S. industry.

Away From Politics

• An experimental gene therapy treatment that holds the promise of a cure for cystic fibrosis, the most common inherited fatal disease, has been approved by a federal advisory committee in Washington. The panel recommended that three researchers be given permission to try to replace defective cystic fibrosis genes in the lung cells of a small number of patients.

• Frustrated by an apparent inability to put a dent in the city's high teenage pregnancy rate, Baltimore public health officials are planning to offer surgically implanted contraceptives at clinics in city schools. The program is apparently the first in the nation that would provide students with the contraceptives, which last five years.

• One of the developers of the atomic bomb called for a world free of nuclear weapons and said all segments of society, not just governments, should help in the effort. Joseph Rothblat spoke in Chicago at a meeting of the Albert Einstein Peace Prize Foundation, where he shared the \$50,000 annual prize with Hans Bethe, another of the original Manhattan project scientists.

• The American Supreme Court ruled unanimously that a state law requiring AIDS testing for anyone convicted of a sex crime could be applied retroactively. The court said the test was not a "punishment," so retroactive application of the 1989 law did not violate a constitutional prohibition against ex post facto penalties.

• A moderate earthquake rumbled through Southern California, the latest and one of the biggest of thousands of aftershocks spawned by the Landers-Big Bear earthquakes in June. The temblor registered 5.2 on the Richter scale and was centered 5 miles (8 kilometers) from Big Bear City.

• An orbital debris tracking experiment aboard the shuttle Discovery was postponed at Cape Canaveral, Florida, by the National Aeronautics and Space Administration because of an electronics problem with equipment in the spacecraft.

• High-ranking Mexican government officials were involved in drug trafficking and thwarted the investigation into the 1985 kidnapping and murder of a U.S. drug agent in Mexico, prosecutors and witnesses said in court in Los Angeles. (AP, NYT, UPI, LAT)

Somalia Gets Bush Out of Doldrums and Back in His Element

By Michael Wines
New York Times Service

WASHINGTON — For someone who limped barely three weeks ago that he had taken his final bow and left the script to the new star of the show, George Bush is spending a lot of time lately on center stage.

Working the telephone with the abandon of his Gulf War heyday, President Bush has spent the week dragging world leaders from Britain to Japan to Africa into a multinational coalition to clear the way

for the safe delivery of aid to the starving in Somalia. He returned to national television Friday to explain his decision to send American troops to Africa.

In coming weeks, Mr. Bush plans to travel outside Washington for as many as three major speeches on foreign and domestic policy — all, aides said, part of an effort to establish a legacy for his presidency and to pass on advice about the conduct of American policy in a post-Soviet era.

"It's important to remind people what we think the proven approaches are," said a senior Bush aide.

This is a far cry from the president who said Nov. 17, two weeks after his loss to Bill Clinton, that he was "referring all calls" to the president-elect, or from the Bush of Nov. 24, who groused with determined good nature, just before being given a turkey at an annual Thanksgiving-week ceremony, about "these marvellously responsible things I have left to do — walking the dogs and accepting this enormous turkey."

But several aides and friends said the president himself has changed in the four weeks since his defeat.

Left reeling at first by the sheer shock of

surrendering the presidency, Mr. Bush has rebounded in the last week with the realization that his job is not finished, they said.

"A variety of different issues, including the crisis in Somalia, have brought home to the president that he's still the only person that can make these decisions, and that the wisdom and experience he brings to these problems is important to the nation," said a friend.

"If you know this guy, you know he's driven by the call to duty and the fact of his responsibility," he added.

So before he leaves office next month, Mr. Bush plans to press ahead with what may be seen, eventually, as some of the landmarks of his presidency. He will sign a free-trade agreement with Canada and Mexico in two weeks and will press allies for tighter restrictions on the transfer of advanced technology to states with nuclear ambitions, such as Iran and Iraq.

He is not expected to go abroad. But aides hint that he could still press ahead with some crucial foreign initiatives, including new steps to curb Serbian aggression in Bosnia.

U.S. Health-Care Industry Sees Political Writing on the Wall

By Robert Pear
New York Times Service

WASHINGTON — Bill Clinton's election has been interpreted by the health-care industry as a referendum for sweeping change. Factions recently at war now seem to be falling into line. But the growing consensus is on general philosophical principles, not the details, which still present big obstacles to final agreement on how to provide health care to everyone at reasonable cost.

On Nov. 9, six days after the presidential election, business executives, hospital trustees and leaders of the Blue Cross and Blue Shield Association offered to cooperate with Mr. Clinton in writing legislation to revamp the health-care system.

This week, in a break from past practice, the Health Insurance Association of America, representing 270 commercial insurers, called for a new law requiring insurance coverage of all Americans. At present, between 35 million and 40 million Americans have no health insurance. As a way to control costs under their new proposal, the insurers said they would welcome a limit on the open-ended tax subsidy for health insurance bought by employers for their employees.

After the promise of jobs and economic growth, health care was the biggest issue in Mr. Clinton's campaign, and his election has changed the political landscape for action on the issue. In the last Congress, Democrats could not agree among themselves on a national health plan, and there was even more disagreement between Congress and the White House.

But now, with the Bush administration dying and the Clinton administration still unborn, the sounds emanating from Washington are melodious and harmonious. Frederick H. Garcia, a Washington lawyer who specializes in health-care policy, said: "The vote by the directors of the Health Insurance Association is a simple reflection of political reality. They're reading the tea leaves after they got hit with a 2-by-4. Their proposal indicates where policy is headed in the next Congress."

Mr. Garcia said that several companies recently announced plans to withdraw from the trade group "because of the seeming insignificance of the Health Insurance Association in coming to grips with political reality."

Kevin E. Moley, deputy secretary of Health and Human Services, said Mr. Clinton's election had scared members of the health-care industry into being more flexible.

accept this solution. They paid very dearly for the health benefits they now have. They sacrificed wages to get and maintain those health benefits."

Mr. Clinton has not said whether he wants to tax a portion of employee health benefits, as many economists recommend. Any effort to do so would fracture the coalition of his supporters.

Economic theorists say the tax code encourages employers to buy too much health insurance and encourages workers to use too much health care. Employees see the problem differently. Many workers are now paying more for less coverage than they once had.

In the campaign, Mr. Clinton said he wanted to impose an annual limit on all health spending, public and private. Many health-care businesses and insurers oppose this type of constraint, known as a "global budget," and they are franti-

cally seeking alternatives to control costs.

Consumer groups are skeptical of the health insurers' latest proposal. Rhoda H. Karpatkin, president of Consumers Union, said the proposal would help break "a logjam of unrelenting resistance to real reform."

But she added, "This is a plan by the insurance industry to save itself without solving the underlying causes of our health-care crisis."

The sudden burst of interest in health-care legislation reflects political and economic pressure that has built up over more than a decade.

Many critics of President George Bush, including some Republicans, say he did political damage to himself by virtually ignoring the health-care issue. From 1989 through 1991, as medical prices soared and millions of people lost health insurance coverage.



SOLIDARITY — Students at a school in Yorkville, Illinois, having their heads shaved to show support for a classmate who has been diagnosed as having leukemia and is likely to lose his hair.

Catholic Church Settles Abuse Case

New York Times Service

BOSTON — In the largest case of its kind, 68 men and women who were sexually abused by a Roman Catholic priest as children in the 1960s have reached an out-of-court settlement with the diocese of Fall River.

A lawyer for the group said the settlement included a financial settlement for each of the 68 people and an understanding that the diocese would soon issue tough new guidelines for handling cases of sexual abuse by priests. The amount of the settlement was not disclosed.

The 68 people are among more than 100 men and women in 5 states who say they were abused by the former priest, James R. Porter. Mr. Porter, 57, went on trial this week in Minnesota, where he now lives, on criminal charges of sexual misconduct with a babysitter in 1987.

"They no longer have the comfort of knowing that George Bush as president will veto stupid legislation," said Mr. Moley, who used to work for an insurance company.

"They are confronted with Governor Clinton, who is very activist, believes in a strong role for the central government and is willing to play with the levers of power in Washington."

The political reality is complex and elusive. For consumers, health care is a pocketbook issue. The cost of health care and health insurance has been rising twice as fast as other consumer prices. But for middle-income families with health insurance, there is no prospect of immediate relief under the changes proposed by Mr. Clinton and the health insurance industry. Indeed, the middle class might be asked to make some sacrifices for which it has not been politically prepared.

The changes would be gradual. Prices would rise more slowly. Some consumers would have to sacrifice some of their freedom to choose doctors and hospitals. Under the industry proposal, millions of Americans who get health insur-

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<p>BARCELONA</p> <p>INTERNATIONAL BAPTIST CHURCH meets of Trv. dia las Corb., 340-344, 2, Sunday worship 11:00. Dr. Jack Robinson, pastor, phone 41016 01.</p>	<p>BERLIN</p> <p>INTERNATIONAL BAPTIST CHURCH, BEL-UNA, Rotherberg str. 13, 1000 Berlin 41 (Mitte). Bible study 10:45, worship of 12:00 and 19:00 each Sunday. Charles A. Ward, Pastor, Tel. 030-774-6570.</p>	<p>HOLLAND</p> <p>TRINITY BAPTIST S.S. 9:30, Worship 10:30, nursery, fulltime Pastor, Meetings at 8:00 a.m. in Wassenaar. Tel. 01751-78024.</p>	<p>BELGIUM</p> <p>AMERICAN CHURCH IN BRUXELLES, c/o Guy Ailes & Fotschender St., S.S. 9:30 a.m., 11:00 a.m., Tel. 030-8132021.</p>		
<p>BREMEN</p> <p>INTERNATIONAL BAPTIST CHURCH (English language) meets at Evangelisch-Freikirchliche Evangelische Gemeinde, Hebelstr. 5, Hermsen-Str. (around the corner from the Bahnhof) Sunday worship 17:00 Ernst D. Walker, pastor. Tel. 04791-12877.</p>	<p>BUENOS AIRES</p> <p>INTERNATIONAL BAPTIST CHURCH, Strada Pope Juan 22, 3:00 p.m. Contact Bill Richardson, Tel. 010-91-61.</p>	<p>FRANKFURT</p> <p>INTERNATIONAL BAPTIST CHURCH, S. S. 9:30, 11:00, 17:00, 19:00, 22:00, 24:00, 26:00, 28:00, 30:00, 32:00, 34:00, 36:00, 38:00, 40:00, 42:00, 44:00, 46:00, 48:00, 50:00, 52:00, 54:00, 56:00, 58:00, 60:00, 62:00, 64:00, 66:00, 68:00, 70:00, 72:00, 74:00, 76:00, 78:00, 80:00, 82:00, 84:00, 86:00, 88:00, 90:00, 92:00, 94:00, 96:00, 98:00, 100:00, 102:00, 104:00, 106:00, 108:00, 110:00, 112:00, 114:00, 116:00, 118:00, 120:00, 122:00, 124:00, 126:00, 128:00, 130:00, 132:00, 134:00, 136:00, 138:00, 140:00, 142:00, 144:00, 146:00, 148:00, 150:00, 152:00, 154:00, 156:00, 158:00, 160:00, 162:00, 164:00, 166:00, 168:00, 170:00, 172:00, 174:00, 176:00, 178:00, 180:00, 182:00, 184:00, 186:00, 188:00, 190:00, 192:00, 194:00, 196:00, 198:00, 200:00, 202:00, 204:00, 206:00, 208:00, 210:00, 212:00, 214:00, 216:00, 218:00, 220:00, 222:00, 224:00, 226:00, 228:00, 230:00, 232:00, 234:00, 236:00, 238:00, 240:00, 242:00, 244:00, 246:00, 248:00, 250:00, 252:00, 254:00, 256:00, 258:00, 260:00, 262:00, 264:00, 266:00, 268:00, 270:00, 272:00, 274:00, 276:00, 278:00, 280:00, 282:00, 284:00, 286:00, 288:00, 290:00, 292:00, 294:00, 296:00, 298:00, 300:00, 302:00, 304:00, 306:00, 308:00, 310:00, 312:00, 314:00, 316:00, 318:00, 320:00, 322:00, 324:00, 326:00, 328:00, 330:00, 332:00, 334:00, 336:00, 338:00, 340:00, 342:00, 344:00, 346:00, 348:00, 350:00, 352:00, 354:00, 356:00, 358:00, 360:00, 362:00, 364:00, 366:00, 368:00, 370:00, 372:00, 374:00, 376:00, 378:00, 380:00, 382:00, 384:00, 386:00, 388:00, 390:00, 392:00, 394:00, 396:00, 398:00, 400:00, 402:00, 404:00, 406:00, 408:00, 410:00, 412:00, 414:00, 416:00, 418:00, 420:00, 422:00, 424:00, 426:00, 428:00, 430:00, 432:00, 434:00, 436:00, 438:00, 440:00, 442:00, 444:00, 446:00, 448:00, 450:00, 452:00, 454:00, 456:00, 458:00, 460:00, 462:00, 464:00, 466:00, 468:00, 470:00, 472:00, 474:00, 476:00, 478:00, 480:00, 482:00, 484:00, 486:00, 488:00, 490:00, 492:00, 494:00, 496:00, 498:00, 500:00, 502:00, 504:00, 506:00, 508:00, 510:00, 512:00, 514:00, 516:00, 518:00, 520:00, 522:00, 524:00, 526:00, 528:00, 530:00, 532:00, 534:00, 536:00, 538:00, 540:00, 542:00, 544:00, 546:00, 548:00, 550:00, 552:00, 554:00, 556:00, 558:00, 560:00, 562:00, 564:00, 566:00, 568:00, 570:00, 572:00, 574:00, 576:00, 578:00, 580:00, 582:00, 584:00, 586:00, 588:00, 590:00, 592:00, 594:00, 596:00, 598:00, 600:00, 602:00, 604:00, 606:00, 608:00, 610:00, 612:00, 614:00, 616:00, 618:00, 620:00, 622:00, 624:00, 626:00, 628:00, 630:00, 632:00, 634:00, 636:00, 638:00, 640:00, 642:00, 644:00, 646:00, 648:00, 650:00, 652:00, 654:00, 656:00, 658:00, 660:00, 662:00, 664:00, 666:00, 668:00, 670:00, 672:00, 674:00, 676:00, 678:00, 680:00, 682:00, 684:00, 686:00, 688:00, 690:00, 692:00, 694:00, 696:00, 698:00, 700:00, 702:00, 704:00, 706:00, 708:00, 710:00, 712:00, 714:00, 716:00, 718:00, 720:00, 722:00, 724:00, 726:00, 728:00, 730:00, 732:00, 734:00, 736:00, 738:00, 740:00, 742:00, 744:00, 746:00, 748:00, 750:00, 752:00, 754:00, 756:00, 758:00, 760:00, 762:00, 764:00, 766:00, 768:00, 770:00, 772:00, 774:00, 776:00, 778:00, 780:00, 782:00, 784:00, 786:00, 788:00, 790:00, 792:00, 794:00, 796:00, 798:00, 800:00, 802:00, 804:00, 806:00, 808:00, 810:00, 812:00, 814:00, 816:00, 818:00, 820:00, 822:00, 824:00, 826:00, 828:00, 830:00, 832:00, 834:00, 836:00, 838:00, 840:00, 842:00, 844:00, 846:00, 848:00, 850:00, 852:00, 854:00, 856:00, 858:00, 860:00, 862:00, 864:00, 866:00, 868:00, 870:00, 872:00, 874:00, 876:00, 878:00, 880:00, 882:00, 884:00, 886:00, 888:00, 890:00, 892:00, 894:00, 896:00, 898:00, 900:00, 902:00, 904:00, 906:00, 908:00, 910:00, 912:00, 914:00, 916:00, 918:00, 920:00, 922:00, 924:00, 926:00, 928:00, 930:00, 932:00, 934:00, 936:00, 938:00, 940:00, 942:00, 944:00, 946:00, 948:00, 950:00, 952:00, 954:00, 956:00, 958:00, 960:00, 962:00, 964:00, 966:00, 968:00, 970:00, 972:00, 974:00, 976:00, 978:00, 980:00, 982:00, 984:00, 986:00, 988:00, 990:00, 992:00, 994:00, 996:00, 998:00, 1000:00.</p>	<p>BUDAPEST</p> <p>INTERNATIONAL BAPTIST Fellowship, 11 Bimbo ut 50 (main entrance Topicalyca) 7. 7, immediately behind front entrance, 10:30 a.m. Sunday School and Nursery 10:45 a.m. The Rev. David Rastall (049) 53 01 84.</p>	<p>MOSCOW</p> <p>COMMUNITY CHURCH, Worship and Church School at 11:00 a.m. Prater Damm 34, (Angel, Orange and Gm. Yagel), International, English Speaking. Tel. 320-0176.</p>	<p>PARIS and SUBURBS</p> <p>THE AMERICAN CATHOLIC (Episcopal-Anglican), Sun. 9 & 11 a.m. Sunday School for children and nursery care at 11 a.m., 22 Ave. George V, Paris 8. Tel. 47 20 17 92. Metro George V or Alma-Marceau.</p>
<p>MUNICH</p> <p>INTERNATIONAL COMMUNITY CHURCH, English, Bible Believing, services in English 8:15 p.m. Sunday at Eubacher Str. 10 (U2 tram station) (089) 894-8617.</p>	<p>ROME</p> <p>INTERNATIONAL BAPTIST CHURCH, S. S. 9:30, 11:00, 17:00, 19:00, 22:00, 24:00, 26:00, 28:00, 30:00, 32:00, 34:00, 36:00, 38:00, 40:00, 42:00, 44:00, 46:00, 48:00, 50:00, 52:00, 54:00, 56:00, 58:00, 60:00, 62:00, 64:00, 66:00, 68:00, 70:00, 72:00, 74:00, 76:00, 78:00, 80:00, 82:00, 84:00, 86:00, 88:00, 90:00, 92:00, 94:00, 96:00, 98:00, 100:00, 102:00, 104:00, 106:00, 108:00, 110:00, 112:00, 114:00, 116:00, 118:00, 120:00, 122:00, 124:00, 126:00, 128:00, 130:00, 132:00, 134:00, 136:00, 138:00, 140:00, 142:00, 144:00, 146:00, 148:00, 150:00, 152:00, 154:00, 156:00, 158:00, 160:00, 162:00, 164:00, 166:00, 168:00, 170:00, 172:00, 174:00, 176:00, 178:00, 180:00, 182:00, 184:00, 186:00, 188:00, 190:00, 192:00, 194:00, 196:00, 198:00, 200:00, 202:00, 204:00, 206:00, 208:00, 210:00, 212:00, 214:00, 216:00, 218:00, 220:00, 222:00, 224:00, 226:00, 228:00, 230:00, 232:00, 234:00, 236:00, 238:00, 240:00, 242:00, 244:00, 246:00, 248:00, 250:00, 252:00, 254:00, 256:00, 258:00, 260:00, 262:00, 264:00, 266:00, 268:00, 270:00, 272:00, 274:00, 276:00, 278:00, 280:00, 282:00, 284:00, 286:00, 288:00, 290:00, 292:00, 294:00, 296:00, 298:00, 300:00, 302:00, 304:00, 306:00, 308:00, 310:00, 312:00, 314:00, 316:00, 318:00, 320:00, 322:00, 324:00, 326:00, 328:00, 330:00, 332:00, 334:00, 336:00, 338:00, 340:00, 342:00, 344:00, 346:00, 348:00, 350:00, 352:00, 354:00, 356:00, 358:00, 360:00, 362:00, 364:00, 366:00, 368:00, 370:00, 372:00, 374:00, 376:00, 378:00, 380:00, 382:00, 384:00, 386:00, 388:00, 390:00, 392:00, 394:00, 396:00, 398:00, 400:00, 402:00, 404:00, 406:00, 408:00, 410:00, 412:00, 414:00, 416:00, 418:00, 420:00, 422:00, 424:00, 426:00, 428:00, 430:00, 432:00, 434:00, 436:00, 438:00, 440:00, 442:00, 444:00, 446:00, 448:00, 450:00, 452:00, 454:00, 456:00, 458:00, 460:00, 462:00, 464:00, 466:00, 468:00, 470:00, 472:00, 474:00, 476:00, 478:00, 480:00, 482:00, 484:00, 486:00, 488:00, 490:00, 492:00, 494:00, 496:00, 498:00, 500:00, 502:00, 504:00, 506:00, 508:00, 510:00, 512:00, 514:00, 516:00, 518:00, 520:00, 522:00, 524:00, 526:00, 528:00, 530:00, 532:00, 534:00, 536:00, 538:00, 540:00, 542:00, 544:00, 546:00, 548:00, 550:00, 552:00, 554:00, 556:00, 558:00, 560:</p>				

Herald Tribune

A Poulitice for Somalia?

American troops are rightly being sent to strife-torn Somalia to ensure that food reaches millions of starving people.

Authorizing the U.S.-led effort. It says nothing, for example, about disarming marauding gangs but instead refers mustily to "facilitating the process of a political settlement under the auspices of the UN."

Give Congress a Say

It's not enough for the United Nations to authorize peace enforcement in Somalia, as it did on Thursday, or for President George Bush to provide U.S. troops for that worthy purpose.

Even after the troops have been sent, Congress can help define their mission. And in the absence of any presidential statement of purpose, the public is in the dark.

Tallying Aid to Russia

As the great struggle is joined between the reformers and their antagonists in the Russian Congress of People's Deputies, a double question confronts the West: How much is it doing to help the embattled president, Boris Yeltsin—and is it enough?

Western Europe. It looks as though the actual total will be nearly \$14 billion. The United States has provided more than \$2 billion, the greatest part of it in loan guarantees to buy grain, but also including medical supplies and vaccines, as well as money to dismantle nuclear weapons.

Other Comment

Showdown in the H.K. Corral
The standoff between the Hong Kong governor, Chris Patten, and the government of China threatens to become dangerous, like two wild West antagonists with hands on holsters.

sions with Western representatives on human rights. China clearly sees a major role for itself in the post-Cold War Asian theater, and its ancient and proud civilization will not take lessons in democracy from alien parliaments and congresses.

Bravo, Mr. Patten, for Ending the Coddling

By Jim Hoagland

LONDON — At a time when the standing of politicians everywhere has sunk to the level of journalists and faith healers, Chris Patten of Britain is doing his profession and his nation proud.

Mr. Clinton, a potential Beijing-basher, recently tipped back from his campaign attacks on China. He clearly hopes to avoid a nasty fight with Beijing at the start of his administration.

The Hong Kong confrontation does complicate Clinton's task in dealing with China, but it also illuminates it.

from the "Mandarins," the small group of old China hands in the British civil service who advised successive prime ministers to tread softly with China to protect British rule in Hong Kong.

Mr. Clinton's public fury and threats of retaliation have unsettled Hong Kong's stock market and impelled future investment. This economic squeeze war may force the Legislative Council, which must approve Mr. Patten's proposals, to soften them next spring in hopes of pacifying Beijing.

Minister John Major installed Mr. Patten in the comfortable governor general's job, which previously had gone to diplomats, after he lost his parliamentary seat in April. But there is every reason to believe that Mr. Patten and Mr. Major are sincere in trying to erect viable democratic institutions before the Chinese take over.

Clinton at Quarterback and the Wind Behind Us

By James Carville and Paul Begala

WASHINGTON — Bum Phillips, the former coach of the Houston Oilers football team, paid the Miami Dolphins coach, Don Shula the highest compliment imaginable when he said, "He can take his'n and beat your'n, or he can take your'n and beat his'n."

Mr. Clinton ditch his "People First" economic plan. He showed character by keeping faith with his original vision. Any doubts voters had about his commitment to recast the Democratic Party and move it away from traditional liberal orthodoxes were dispelled when he chose Senator Al Gore of Tennessee as his running mate.

impression he was out. Mr. Bush—whom last year appeared surprised by a communist supermarket scanner—could not answer the most obvious question put to him: "Do you get it?"

While keeping in mind the pre-eminent role of the candidate, we believe a number of other strategic events and conditions contributed to the Clinton victory. After the 1988 campaign, the media went through their ritualistic self-flagellation with more energy than usual.

Mr. Clinton did have taken his staff and defeated George Bush's, or he could have taken Mr. Bush's staff and beat his own. The simple best strategic decision we made as political consultants was to go to work for Mr. Clinton in the first place.

By contrast, when Mr. Clinton was asked by a viewer on CBS This Morning "if he knew the price of bread, milk and blue jeans" and he did — it spoke volumes about his ability to empathize with average people, as well as his commitment to improve their lives.

A Reckless Portrayal of Our Family

By Jean Kennedy Smith, Eunice Kennedy Shriver, Patricia Kennedy Lawford and Edward M. Kennedy

WASHINGTON — As children of Joseph P. Kennedy and Rose Fitzgerald Kennedy, we categorically reject the misjudgments, mischaracterizations, insinuations and outright falsehoods about our family relationships portrayed in the book "J.F.K., Reckless Youth" and repeated by many reviewers.

The book's repeated allegations of abusive family relations are outrageous falsehoods. It is grotesque to compare our father to Stalin. It is preposterous to call any of us "abused" children.

on to go swimming at Walden Pond or for an outing on Cape Cod. Our earliest childhood memories are of exchanging goodnight kisses with Mother and Dad every night. We continued that habit throughout our lives whenever we were with them, even as adults, and our brother continued to call any of us "abused" children.

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WASHINGTON — President Wilson delivered his address to Congress to-day [Dec. 4], outlining America's war aims and principles upon which peace must be based, saying: "A very troublesome obstacle on our path is the fact that we are at war with Ger-

many and not with her Allies. I therefore solemnly propose that Congress declare the United States to be in a state of war with Austria-Hungary, Austria-Hungary is not at present her own mistress, but merely the vassal of the German Government."

Better This Than the Cattle Sheds

By A. M. Rosenthal

BANJA LUKA, Bosnia and Herzegovina — In the cattle sheds the men lie on the floor, one blanket beneath them, one to cover them. They lie there 15 hours every day, locked in from the dark afternoon through the utterly black night.

And in Manjaca, where Balkan Muslims known as Bosnian Muslims are imprisoned by Balkan Europeans known as Bosnian Serbs, I understood that like most other Westerners I had been making another mistake.

Television town-hall meetings, call-in shows and the appearance on "The Arsenio Hall Show" were all efforts to supply voters with information about Mr. Clinton and his plans. It is a matter of some pride that our campaign pioneered the use of pop-culture media. Ross Perot popularized this, but Mr. Clinton was there first.

So will Croatia, which has taken big bites out of Bosnia. Bosnia will still be a Muslim-led country with a non-Muslim majority, in a tough neighborhood. As much as any country, Bosnia would need United Nations protection for some years. That would be expensive for the donors and awkward for the beneficiary.

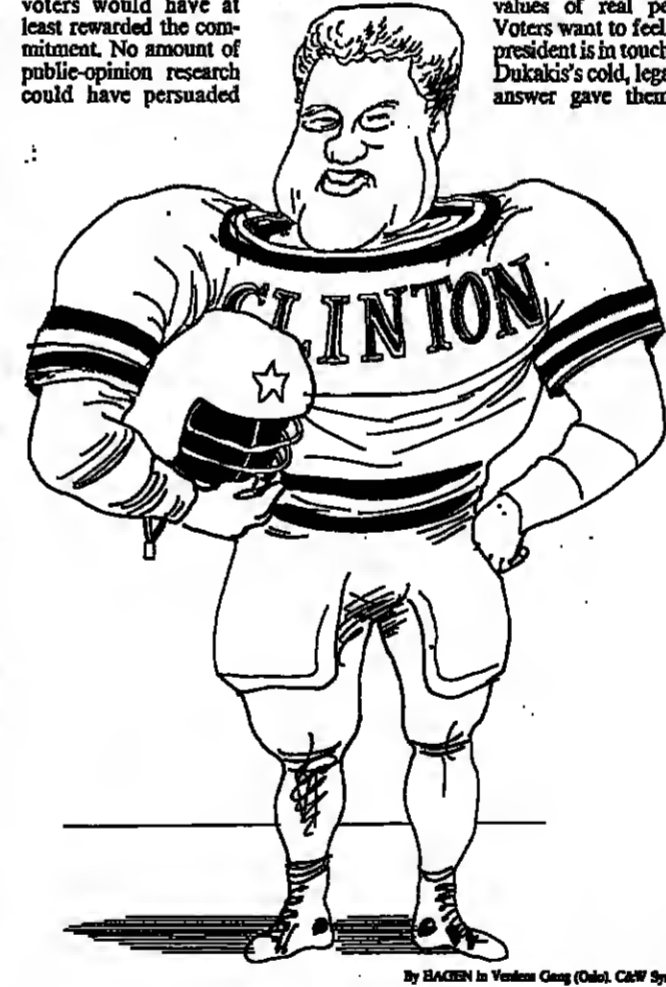
IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: Moneyed Math

LONDON — The Rev. Dr. Hiles Hitchens, of Eccleston-square church, alluded in his sermon last night [Dec. 4] to the death of Mr. Jay Gould. "To get some idea of the vastness of the possessions of the late Mr. Gould, let us make," said the preacher, "some interesting calculations. Suppose his millions could be changed into £5 notes, and those notes [joined together in one strip, it would reach from London to Moscow. Suppose you change those notes into sovereigns, and place one sovereign upon another, they would make a column seventy-three miles high."

1917: A Broader War

WASHINGTON — President Wilson delivered his address to Congress to-day [Dec. 4], outlining America's war aims and principles upon which peace must be based, saying: "A very troublesome obstacle on our path is the fact that we are at war with Ger-



By EAGEN in Venture Gang (Cartoon), CAPW Syndicate.

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Yeltsin Urges a 'No' Vote

He Sees Anarchy If Measures Pass

By Celestine Bohlen
New York Times Service
MOSCOW — President Boris N. Yeltsin, in a brief but sharp address Friday to an increasingly fractious Congress of People's Deputies, urged delegates not to approve a set of constitutional amendments that he said would weaken the government, endanger economic reform and lead the country to anarchy.

The Congress, the country's highest legislative body, is set to vote Saturday in secret balloting on changes to the constitution that would require the president to submit the nomination and dismissal of top cabinet ministers to the Congress for approval.

These laws have emerged as the leading ground this week between Mr. Yeltsin and the legislature over the fate of the current Russian government, headed by acting Prime Minister Yegor T. Gaidar. Their adoption, as now proposed, would certainly bring about Mr. Gaidar's fall and an abrupt change in his 11-month program of economic change.

To pass the constitutional changes they seek, anti-government forces among the 1,041 members of the Congress would need a two-thirds majority, or more than 694 votes. A week ago, most observers considered it unlikely that the government's opponents could muster that many votes, but tensions at the Congress this week have been running high, and hopes of compromise have receded.

The Congress voted, 688 to 210, with 34 abstentions, on a resolution expressing dissatisfaction with the government's economic reform program. This was taken as a sign that the centrist faction in the Congress, which last week were busily bargaining with Mr. Yeltsin, were not ready to come to the aid of the Gaidar government.

"The adoption of the amendments would mean a turnaround of 180 degrees," Mr. Yeltsin said, "and would reverse the development of Russian statehood."

"The future of the reforms will remain undecided," he added. "The entire executive from top to bottom will be impaired. Instead of a weak and immature power, the country will get anarchy."



A legislator keeping an eye on proceedings Thursday as the Congress churned on.

Israeli Takes Europe Church to Task

Compiled by Our Staff From Dispatches
JERUSALEM — President Chaim Herzog of Israel accused Christian leaders Friday of not doing enough to fight neo-Nazism and racism in Europe.

"We must ask why the church, whose influence on hundreds of millions of believers is so strong, with a few exceptions has yet to declare a war of annihilation on anti-Semitism," said Mr. Herzog in a rare criticism of non-Jewish leaders. Mr. Herzog's office is largely ceremonial.

German rightist extremists have carried out nearly 2,000 attacks this year on foreigners and memorials to the 6 million Jews exterminated in World War II.

In the light of events of the distant and recent past and their lessons we expect to see the Christian church in its various branches and Christian clergy leading the fight against this plague," Mr. Herzog said in a radio address.

Mr. Herzog appealed to Israelis to work with European governments fighting racism.

"In the end, the leaders of the countries afflicted by this blight in Europe — Germany, Poland, Sweden, Italy, France, and other countries — are standing at the head of the struggle against the phenomenon," he said.

A poll published in Yediot Ah-

ronoth newspaper found that 75 percent of the 490 Jews surveyed this week said they believed neo-Nazism would grow and spread. Forty-six percent believed Israel should take "practical, emergency measures" against Germany. More than half said they were satisfied with their government's official condemnation.

Prime Minister Yitzhak Rabin has called for action to "crush the head of the snake" before it grows. But the cabinet ignored proposals for tougher measures, including a ban on travel to Germany.

France on Friday banned the book "The SS Order: Ethics and Ideology," saying it could endanger public order with its "apology for Nazism, racism and anti-Semitism." The order, which came from Interior Minister Paul Quilès, bars circulation, distribution and sale in France of the book, written by Edwige Thiébaud.

Last month, an aide to Charles Pasqua, a senator and a leading figure in the conservative opposition, drew attention by criticizing the Socialist government for what he called inaction "in the face of a proliferation of the number of racist, anti-Semitic and neo-Nazi publications."

Separately, President François Mitterrand Friday expressed "great indignation at the odious

profanation of the graves of several Muslim soldiers" at a cemetery in Mulhouse, in eastern France. A total of 58 graves of Muslim soldiers, killed during World War II, were desecrated on Nov. 21.

In Sweden, a former French university professor who maintains that the Nazi Holocaust is a myth has been allowed to enter the country, the police at Arlanda Airport near Stockholm said Friday. Robert Faurisson was admitted Thursday night after telling authorities he would not make any public appearances during his private visit.

Hakan Holmberg, a Liberal Party legislator and chairman of the Swedish committee against anti-Semitism, described the decision to admit Mr. Faurisson as disturbing. (Reuters, AP, AFP)

China Said to Deliver Missiles to Pakistan

By Jim Mann
Los Angeles Times Service

WASHINGTON — In what appears to be a dramatic setback for American arms-control policies and for Chinese-American relations, U.S. intelligence officials have gathered evidence that China recently exported to Pakistan dangerous new missiles that it repeatedly has promised the Bush administration it would not sell.

According to intelligence sources, Chinese M-11 missiles showed up in Pakistan within the last two weeks. One source put the number of the missiles at about two dozen. The missiles were said to have been photographed as they passed through the Pakistani port of Karachi.

The M-11s are modern, solid-fuel, surface-to-surface missiles that are more accurate, more mobile and quicker to launch than the Scuds used by Iraq during the Gulf War. They would be particularly dangerous in Pakistan because the missiles could carry nuclear warheads.

A U.S. intelligence assessment earlier this year reportedly concluded that Pakistan had enough material to make as many as 10 nuclear weapons. Senator Larry Pressler, Republican of South Dakota, said in a television interview this week that based on what he had been told by intelligence officers, Pakistan now had nuclear weapons capability.

The appearance of the missiles in Pakistan also could pose serious new complications for U.S. policy toward China just as the Bush administration is leaving office and President-elect Bill Clinton is putting together the policies and personnel for his new administration.

A U.S. official said it was possible China had chosen this as a way of retaliating for the Bush administration's decision in September to approve the sale of advanced F-16 warplanes to Taiwan.

When the announcement of the Taiwan sale was made, the Chinese Foreign Ministry said in a statement: "The Chinese government

strongly demands the U.S. government revoke these wrong decisions. Otherwise, the U.S. side would be held responsible for all serious consequences arising therefrom."

After China made the statement, some Western specialists said Beijing might reply by shipping advanced weapons to such countries as Pakistan or Iran.

As for the timing of the action, one theory is that the Beijing leadership is taking advantage of the U.S. presidential transition period. "Maybe they thought now is the time they could get away with it," an American official said.

A CIA spokesman said the arrival of the Chinese missiles in Pakistan was "something that I just can't comment on."

Officials at the Chinese and Pakistani embassies in Washington also declined to comment.

"I don't know about M-11s," a senior Pakistani diplomat said.

China began marketing its M-11 missiles in the late 1980s. Preventing Beijing from exporting these missiles has been a main goal of the U.S. administration for three years.

Last year, the administration froze U.S. exports of high-speed computers and satellite parts to China after it found that Beijing had exported launchers for M-11 missiles to Pakistan. The sanctions

were lifted after James A. Baker 3d, on a trip to Beijing a year ago as secretary of state, received what he interpreted as a pledge that China would not export the M-11 missiles to Pakistan.

Mr. Baker said before a House subcommittee in February that China's pledge had been "a very substantial and significant step forward, if they will adhere to their commitment."

Sources said U.S. intelligence agencies were scrutinizing all available evidence concerning the missile transfer.

"There are people checking it out," a U.S. official said. "There has been some speculation and some reporting on that. It would be a matter of real concern, obviously."

Last spring, China agreed in writing to abide by the Missile Technology Control Regime, an international accord that prohibits the export of missiles with a range of more than 300 kilometers (185 miles) and a payload of more than 500 kilograms (1,100 pounds).

According to U.S. officials, the M-11 missiles, when tested in China, had a range of about 400 kilometers and a payload of 800 kilograms.

But sources said that there is now a disagreement among American intelligence officials about whether

the Chinese missiles spotted in Pakistan amount to a violation of the accord. It is possible, some U.S. officials have argued, that before exporting the missiles, China modified them to limit their range and payload so they would comply with the agreement.

Under a federal law passed in 1990, if U.S. officials concluded that the missiles in Pakistan violated the regime, the government would be required to retaliate by imposing some new economic sanctions against China, or at least against the Chinese units or enterprises that exported the M-11s.

The director of the Wisconsin Project on Nuclear Arms Control, Gary Milhollin, said that a missile capable of carrying a payload of 800 kilograms would be "certainly big enough" to carry a nuclear warhead. He added that with such a missile, Pakistan could "do substantial damage to India."

To talk with the administration over the last few years, Chinese officials have acknowledged concluding a deal to sell the M-11 missiles to Pakistan, but argued that the contract had been signed before China was subject to the Missile Technology Control Regime. But during Mr. Baker's trip to Beijing last year, China agreed that the regime's guidelines and parameters covered the M-11s.

China to Accept U.S. MIA Investigators

By Lena H. Sun
Washington Post Service

BEIJING — Chinese officials have promised to allow a U.S. team of experts to visit China to investigate the cases of American servicemen who may have crashed in China during the Vietnam War, three U.S. senators said.

There is no evidence that any prisoners of war from that period are being held in China, U.S. officials said. "But there are several reports of crash landings of aircraft with Americans on board coming out of Vietnam during this period,"

said Senator David L. Boren, Democrat of Oklahoma, chairman of the Select Committee on Intelligence and head of a visiting Senate delegation. Among those thought to have been on the planes are servicemen still listed as missing in action, he said.

U.S. officials have been seeking permission for such a visit for some time, Mr. Boren said. The Chinese have little to lose by the gesture. At the same time, they may earn some goodwill from the incoming Democratic administration and the Senate, as Beijing's leaders consider

the difficulties in retaining most-favored-nation trading status with the United States next year.

The trading status must be renewed annually, and many members of Congress support linking it with human rights guarantees by the Chinese. Mr. Boren and his two colleagues, Claiborne Pell, Democrat of Rhode Island, the chairman of the Senate Foreign Relations Committee, and Carl Levin, Democrat of Michigan, have all voted in favor of attaching conditions to continuation of the favorable trading status.

FLIRT: Give Men a Break

(Continued from page 1)
work less fun, she said. "Frivolous accusations reduce, if not eliminate, not only communication between men and women but any kind of playfulness and banter," she said. "Where has the laughter gone?"

Judge Barry said she had been criticized by ardent feminists over the language she used. She related how, nine years after the fact, she still felt stung by the tongue-lashing a female lawyer gave her for calling a young woman a "girl."

Undeterred, she said, she asks prospective clerks today how they would react if she made a similar slip. Some, she related, "visibly coil up like cobras, narrow their eyes and their mouths, and spit out some answer which usually includes the word 'shocked.'"

The smarter ones figure out where the judge is going and laugh it off, and they get the clerkships.

"Needless to say, I don't want a woman working for me who's waiting for me to shoot myself in the foot," she said.

The judge received a standing ovation when she finished. Off the premises, and off the record, some critics said the judge's privileged background had insulated her from the sexual wars in the workplace.

Not everyone, noted a prominent female lawyer, "is tall, blonde, beautiful, rich and had Roy Cohn as a sponsor." Mr. Cohn was, among other things, a powerful New York lawyer.

Judge Barry, a 1958 graduate of Mount Holyoke College who earned a law degree at Hofstra University 16 years later, described herself to the group as a "traditional woman" — someone who married and reared a son before entering law practice at age 37.

"I like a little chivalry, I like to receive flowers, I like taking care of a son and a husband," she said. "And in my judgment those who recoil from these things don't know what they're missing."

Judge Barry did not say whether she had been sexually harassed, but she well knows the disconcerting feeling of wearing the only blouse in a sea of men's suits.

When she became a federal prosecutor in Newark in 1974, she constituted half the women in a 62-lawyer office.

The judge chastised feminists for pounding on befuddled but well-meaning men for the slightest in-delicacy or linguistic faux pas, particularly if it reflected cultural differences rather than malevolence.

"Instead of throwing down the gauntlet at every opportunity," she said, "may I recommend the use of humor and gentle sarcasm — the deft touch, the intelligent approach — rather than the atom bomb?"

"There is no more potent weapon in any profession than a woman with a feminine exterior and a will of steel," she said, "and I defy you to find one man who will disagree."

SERBS: New Move on Flight Ban

(Continued from page 1)

sharply cut the number of flights made over Bosnia and has apparently stopped the bombing and strafing of villages in the remnants of Yugoslavia.

But other officials say that the lack of enforcement has made the ban meaningless and may embolden the Serbs to spread the war to the Kosovo region, where the Muslim majority is also fearful of persecution and attacks by Serbian forces.

Some flights now being conducted appear to be used to move troops, deliver supplies and train pilots and soldiers, U.S. intelligence reports say. There are also unconfirmed intelligence reports that some flights have been used to attack ground targets.

■ Aid by Rail

The UN refugee agency said Friday that it was going to try to take aid into Bosnia-Herzegovina by train, an idea rejected until now as

too dangerous, Reuters reported from Geneva.

The decision came as Srdko Opatić, the UN High Commissioner for Refugees, warned that her agency had been stretched to its limits in former Yugoslavia, where 3.1 million people have been displaced by fighting.

Appealing for a rapid political solution to the region's problems, she told an international conference: "Humanitarianism cannot withstand the tide of misery for much longer."

The first UN train convoy into Bosnia, carrying 250 tons of supplies, will leave the Croatian port of Ploce on Monday, a spokeswoman for the commissioner said.

Although there is a direct line from Ploce to Sarajevo, the train will have to stop in Mostar, capital of the southern province of Herzegovina.

Fighting intensified in and around Sarajevo on Friday, Agency France-Press reported from Sarajevo.

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ART

The Rediscovery of a Lyrical Artist

By Michael Gibson
International Herald Tribune

MILAN — William Congdon, a largely forgotten American artist of persuasive lyrical sensitivity, is making a comeback in a major retrospective here. Forty years ago, Congdon had rocketed to the height of his fame.



William Congdon

He was on the cover of Life magazine, his work was being shown by Betty Parsons, the dealer who supported the major artists of the day, he was respected by the Abstract Expressionist peers — Mark Rothko, Jackson Pollock, Clyfford Still, Ad Reinhardt and others — and praised by the hard-to-please critic Clement Greenberg.

Not only did Peggy Guggenheim buy his paintings — most of them devoted to Venice at the time — she also felt sure that Congdon, born to a family of world that, in so many ways, was a stimulus to him. He traveled widely, in India, Istanbul, Mexico, Guatemala, Santorini and the Sahara he discovered gilded monuments, dark chasms and a featureless solitude. All of this seemed, in a way, to embody the drama of his age and his own inner life — the high demands, the untamed recesses, the loneliness.

Some of his earlier work was done in 1948, when he lived in a tenement in the Bowery. Later that year, he moved to a 30th-floor Park Avenue apartment, where he painted black cityscapes — "Destroyed City," "Red City," "Black City" — which convey something of the seduction of New York, but also its self-destructive violence.

But his Venice paintings, done when the artist was in his 40s, remain the best embodiment of Congdon's distinctive style: a thick and crumbly impasto is carved and cross-hatched with a manifest fury

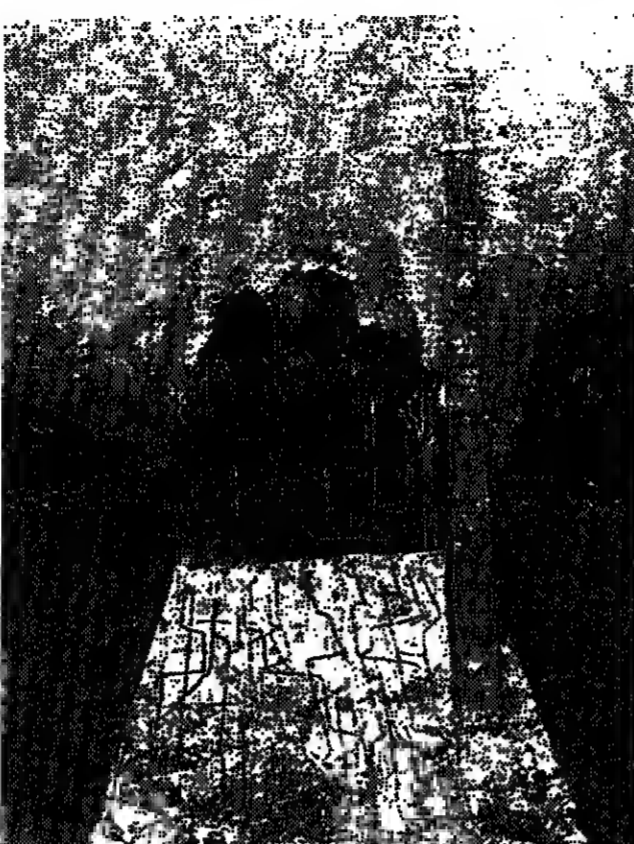
had learned to love as an ambulance driver following the armies he had joined in North Africa and accompanied as they ramed their way up the peninsula through Monte Cassino and into Germany. He was among those who were lastingly shattered by what they discovered when the gates of Bergen-Belsen were opened.

Venice was the city of his artistic dreams. According to Peggy Guggenheim, he was "the only painter, after Turner, to have understood Venice. . . . His way of expressing himself is modern, his understanding is as ancient as the city itself. He has managed to capture the actual essence of many eclectrics and fuse this vision into a dream so fantastic and beautiful that his paintings take one's breath away."

But Congdon did not stay put in Venice. Nor did he stay with the New York art world that, in so many ways, was a stimulus to him. He traveled widely, in India, Istanbul, Mexico, Guatemala, Santorini and the Sahara he discovered gilded monuments, dark chasms and a featureless solitude. All of this seemed, in a way, to embody the drama of his age and his own inner life — the high demands, the untamed recesses, the loneliness.

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Congdon's "Piazza Venice N12" (detail), 1952.

to trace the dark, dramatic architecture of St. Mark's Square, while a soaring and campanile tilts the golden church.

CONGDON used gold abundantly, echoing the Byzantine wealth within the basilica — and gold, because it embodies a surface without depth, appears to signify the serene, hidden timelessness of eternity.

A stylistic break becomes apparent after Congdon's withdrawal to Assisi. He undertook to paint religious subjects which are particularly problematical in this day and age. The idea must have seemed obvious to him and the tradition of Italian art appeared to point that way. Yet it raised many difficult problems: Why is one stirred by Mantegna's "Crucifixion," or van Eyck's "Mystic Lamb," and much less so by Rouah's "Holy Face"? Why does Congdon's "Gethsemane" seem less poignant than his golden piazzas and ominous volcanoes?

There is no easy answer, except perhaps that the mystery of the piazza or of the condor refers the viewer back to himself and to what he feels, while the religious subject has for some reason lost much of its mystery and tends to refer one outward. One may, however, note an affinity between some of Congdon's crucifixes and Jean Fautrier's famous "Hostages" series.

His phase lasted a few years, after which Congdon returned to subjects he had favored earlier. He traveled again during the '70s, then moved from Assisi to another lay community near Milan — a city he has portrayed in a few critical, chaotic paintings.

In the '80s, as he traveled less and less, spending most of his time in his studio in the flat and featureless countryside outside Milan, he began painting works in a totally different vein. They are very close to minimal, the muted tones of the fields being raised vertically in simple patterns on the canvas.

Such dramatic sexual connotations may be read into many of these works, but they are wrapped up in a broad range of other references — and in a passionate lyricism, a vital but tender enthusiasm that is rarely found in the art of this century.

Traveling to Guatemala in 1957 he painted mostly condors, using them to embody his own spiritual crisis — a dying condor, a condor swooping down upon a dove evokes the dark and the light sides of the artist's nature that he found so difficult to reconcile.

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Staircase photographed by Jean Mouniqa, seeking to capture vanishing Paris.

Remembrance of Paris Past

By Barry James
International Herald Tribune

PARIS — Jean Mouniqa's ability to see beauty in simple things this week earned him the 38th Nadar prize for photographic art.

His "Paris Retravert" — roughly translatable as "Paris Crossed" — is a marvelous evocation of those fleeting human qualities rather than the monumental aspects that Paris residents love about their city.

Wanting to leave a record of his city for his daughter, before it succumbed to developers and philistines, Mouniqa explored Paris street by street in 1979 and 1980, taking more than 12,000 black-and-white photographs.

To describe Mouniqa as an observer of human qualities is a paradox, since people (and animals or birds) appear in his photographs only as they were by accident: a child caught fleetingly at play, the shadow of a man captured through the door of a synagogue.

house courtyards, cobblestone streets glistening with pools of water or worn stairways dappled with fallen leaves resemble theater sets on which the actors are just about to appear.

It is sad to realize that in the 12 years or so since the photographs were taken, much has already disappeared. Many of the timeworn houses have given way to smart apartment or office blocks.

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Mapplethorpe Grant to Guggenheim

By Charles Hagen
New York Times Service

NEW YORK — The Solomon R. Guggenheim Museum will receive a gift worth an estimated \$5 million from the Robert Mapplethorpe Foundation.

Under the terms of an agreement worked out between the two institutions, the Guggenheim is to receive \$2 million in cash and a collection of more than 200 photographs and other objects by Mapplethorpe, who died of AIDS in 1989.

"We felt that the Guggenheim, with its distinguished history and its exciting vision of the future, was the best place to maintain and build upon Robert's artistic legacy," the president of the Mapplethorpe Foundation, Michael Stout, said in announcing the agreement.

Thomas Krebs, the Guggenheim's director, said the gift "will enable us to collect and program in the field

of 20th-century photography from a position of strength."

As part of the agreement, the Guggenheim will name the fourth-level gallery in its new addition after the photographer and will present at least one major photography exhibition every two years.

The dedication of the newly designated gallery, accompanied by a small exhibition of Mapplethorpe works, is tentatively set for the spring.

"There may come a time when we'll make a similar gift to the Whitney," said Stout, who is a member of the recently formed photography committee at that institution.

FOR SALE/SOLD

Boussiane: The working notebook of Ian Fleming, the creator of James Bond, will be auctioned on Dec. 15 at Sotheby's in London. The auction house hopes it will fetch up to \$30,000 (\$46,500). Possible plot situations and observations on gangsters, Russians, weaponry and gambling fill the pages of the file, which dates from July 1957 until July 1964, the year of Fleming's death.

Chaplin Rolls: A rare Rolls-Royce, once owned by Charlie Chaplin and which appeared in his classic film "The Great Dictator," will be auctioned in London on Wednesday at Corg's Kensington.

Val Brynner's wine cellar: Wine owned by the late actor Val Brynner at his house in France has sold for \$80,263 at Christie's. The wine was sold by Brynner's wife, Kathy Lee, from the cellar of his manor house near Deauville in Normandy.

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Portraits, Posies And Peale

By John Russell New York Times Service

WASHINGTON — How could he not have been a painter? The son of a painter, he was christened Rembrandt. His brothers were christened Raphael, Titian and Rubens. His sisters were named after three women painters. He named his son Michael Angelo.

He traveled to England, to France, to Italy. Fired by Jeffersonian ideals, he was open all his life to new ideas, new places and new people. The son of Charles Willson Peale, who was not only a painter but also an inventor, a political figure and a man of science, he inherited his father's passion for the power of good of the museum.

What came of it all can be seen in "In Pursuit of Fame: Rembrandt Peale 1778-1860," an exhibition at the National Portrait Gallery in Washington through Feb. 6. This is very much the right place for it, since it was Charles Willson Peale's belief that portraits of great Americans had an important role to play in American self-awareness.

Rembrandt Peale had the best possible start. As a portraitist, his father was hugely popular. After John Singleton Copley left for England in 1774, Peale was the painter of first choice when it came to recording the great Americans.

At 17, he was allowed into the studio when his father was painting George Washington, and produced a portrait of the father of the nation that had about it a truthful plainness. At 21, he painted the "Rubens Peale With a Geranium" that is one of the great American documents of his day.

In London, Rembrandt Peale painted Sir Joseph Banks, a great explorer, and was made welcome in a laboratory that gave curious sores at which the curious could watch the march of science in action. In Paris, he painted Jean-Antoine Houdon, the greatest of French portrait sculptors; Vivant Denon, the mastermind behind the Louvre; Bernardin de Saint-Pierre, the author of that sweetest of love stories, "Paul et Virginie"; Comte Rumford, inventor, and that vener-



Detail of Rembrandt Peale's portrait of his wife.

able mineralogist, the Abbé Haüy. He also drew portraits of Talma, the great French actor, and Robert Owen, the English Utopian. Once back in the United States, he painted the portrait of the architect Benjamin Henry Latrobe.

Such is the unaffected eloquence of the portrait of Latrobe that we realize all the more strongly that Rembrandt Peale was a very uneven performer. When he was faced to face with someone who stood for what he admired most in his native country, his talents took wing. When he wasn't, he often came on like a privileged journeyman.

If the little portrait of Latrobe can almost rival some of the single heads of Degas, it was doubtless in part because Rembrandt Peale was fired up by Latrobe's paramount role in the rebuilding of the Capitol.

As for the portrait of Rubens Peale with an outside geranium, it is irradiated by a twofold gush of deep feeling. Rubens Peale, so yet so subtly determined, was a younger brother who meant much to Rembrandt Peale.

But allied to family affection is the genius of the geranium that Rubens holds. Lillian B. Miller, the main author of the catalogue, says that the geranium in question was a favorite with the great English landowners of the day.

It is the almost symbiotic relationship between Rubens Peale and the geranium that has made this one of the most popular paintings in the National Gallery.

A Cautious Revival in Impressionist Market

LONDON — The market is slowly getting back to its feet. In sale after sale, evidence is growing that its leading sector, Impressionist and Modern Art, has been granted a new lease on life, if one that remains fragile.

Figures point both to the regained strength and to lingering threats. Sales were substantial this week. On Monday night, Christie's raked in £18.3 million (\$28.6 million), followed by Sotheby's on Tuesday night, with £12.4 million. But in both houses, more than one-third of the works were left stranded.

The high failure rate was largely the result of the poor quality of many of these. It also reflected the perennial disease of which auction houses are unable to cure themselves — overestimation. If there was

SOUREN MELIKIAN

one striking feature this week, it was the vigorous resistance put up by the buyers against inflated estimates. The majority of lots were sold below, sometimes far below, the lower limit.

This was clear from the beginning, but most glaringly so when the week's first attraction, a group of seven Cézannes, came up at Christie's. The pictures once belonged to Auguste Pellier, who formed the largest and finest collection ever of the master's oeuvre, between the closing years of the last century and the early 1920s.

The first in the series was a curious study in oils of two men standing under a tree. They are Fortuné Marion, a now forgotten painter who influenced Cézanne's career, and Antony Valabregue, an equally forgotten writer. Cézanne sketched them in the autumn of 1866 in thick broad strokes in a style that was very rudimentary and advanced for its time but that is unrelated to the manner, developed 15 years later, for which he is admired. The £250,000 to £300,000 estimate was hopeless. Bidding stopped at £150,000. As soon as the sale was over, Christie's let it go to a post-mortem bidder offering £180,000.

A second and perhaps more telling correction to the printed estimate was forced on Christie's by the unidentified buyer of the admirable landscape that followed. The view of the pond in the garden of Cézanne's house, the "Jas de Bouffan," was painted about 1878. Bold, harsh, stern and luminous all at once, it is remarkable for its contrasted bands of color and ranks among the artist's early masterpieces. But the £1.6 million to £2.4 million estimate was just too high. The landscape sold on a £1.4 million bid.

Most interesting is the contrasting fate of the two Cézannes seen as truly "important." One is a landscape with bathers, five men in the nude. The handling of the foliage in patches of color is fine. But the men are not too good — two are clumsy, one bordering on the grotesque. Whoever put £2.8 million to £3.6 million on the picture must have been in a very rosy mood. It was knocked down at £2.75 million, which, with the 10 percent charge, is pretty expensive as it is.

The other picture is the portrait of a man done as an elaborate study for the pipe smoker in "Les Joueurs de Cartes." Quite different from the final version, it is a fantastic painting on its own and there



Cézanne's study for the pipe smoker in "Les Joueurs de Cartes."

aren't many fantastic Cézannes left outside museums. This time, the public corrected the £1.6 million to £2.4 million estimate upward. The portrait went up to £3.52 million, a hefty price but a fully understandable one. The buyer, said by trade sources to be an American collector, made the truly great acquisition of the week, confirming as he did so that the market these days is increasingly under the control of connoisseurs.

If one was left in doubt on that score, Sotheby's evening sale the day after bore

out the conclusion, with interesting nuances. Not least is the fact that connoisseurship now reigns supreme in every school up and down the financial scale. The demonstration began with Lot 1, which could be described as the most perfect Dürer study of characters in pen and wash seen in years. Admirably composed with its two characters set in center stage against a background of shadowy heads (the public) "Avant l'audience. L'avocat et son client" soared to £297,000. This is a huge price, worthy of the days when the late Armand Hammer bought them all, and, again, one that is well adjusted to the outstanding quality of the work.

Fans of Egon Schiele would argue the same about three of the four watercolors or drawings in the sale. The best, an elaborate study of a young boy in a sailor suit, brought £429,000, a gigantic price even if this is a mere 10 percent above the high estimate. But then a self-portrait in charcoal precisely doubled the high estimate as it climbed to £220,000. A New York collector got it, outbidding a European competitor, both operating through Sotheby's agents on the phone.

Most revealing was the reaction to the star lot in the Sotheby's sale, which would otherwise have been hopelessly thin. Kandinsky's "Sketch I" for "Composition VII" is the first of six studies for the famous painting in the Tretyakov Gallery in Moscow. It was executed in three days in 1913. In many ways "Composition VII" could be argued to be the first monument of self-conscious Abstractionism and therefore "Sketch I" is the very first milestone on the way toward it. It is also the only one left outside museums. Its provenance adds to the whiff of history — it was given before 1925 by Kandinsky to his friend Paul Klee, whose grandson Alexander, a painter in his own right, was selling it to pay enormous death duties. Weighing against all that is a certain confusion in the composition. "Sketch I" is too busy for its size.

Had Sotheby's stuck to the original estimate quoted as a flat £5 million, it would probably have got quite a bit more. But soon "£6 million to £8 million" was being murmured. According to his agent, who requested anonymity, a high-powered New York collector flew to inspect the Kandinsky and was very much taken with it until Sotheby's staff volunteered the opinion that it would probably fetch £10 million to £15 million. Suspecting hype, rightly or wrongly, the New Yorker walked away, greatly irritated and determined to have nothing to do with it. Bidding was slow and crept up with some difficulty from its £3.8 million starting bid to the final price, £5 million plus 10 percent.

The buyer was described by trade sources as a German financier. The sources added that this is his first acquisition of such magnitude. The banker's fi-

nancial instinct served him in good stead. True, the Sotheby's picture is not nearly as powerful as "Fugue," done a year later by Kandinsky, which was sold off by the Solomon R. Guggenheim Museum at Sotheby's New York in May 1990 for a record \$20.9 million. But "Sketch I" is an icon, and one loaded with art historical significance to a greater degree. While Sotheby's may, perhaps, have compromised the chance it had to sell it for more by suggesting that very possibility, the sketch fetched just about the right price.

The Kandinsky saga not only confirms the role of connoisseurs but it reveals a new availability of cash for art. This could be verified at all levels during the week. The enthusiastic reception that a delightful little Max Ernst, "Forêt et Soleil," got at Sotheby's — where it nearly doubled its high estimate at £115,500 despite its small size, 9.5 by 12.6 inches (24 by 32 centimeters) — proves it too.

If there were so many casualties it was because there were so many doubts. In a market dominated by people who know a bad painting as well as a good one when they see it, the doubts fall without a battle.

SUCH was the fate of a ridiculous Degas pastel of two women bathing in a pool, unsold at Christie's at £75,000. Christie's estimate, £200,000 to £300,000, might have influenced beginners two years ago. Now, no longer. Not one bid came from the room. The story repeated itself at Sotheby's with an uninspiring sketch of a feminine head in charcoal by Gauguin. Simoo de Pury, who was taking the sale that night and did it brilliantly in a very Gallic spoofy style, called out, "£50,000!" then, "£55,000!" took one look at a sea of wooden faces confronting him and quickly brought down his hammer. The £80,000 to £100,000 estimate had suddenly lost all relevance. Auction houses may deplore it, but it is a healthy sign.

Another sign of recovery is a stir of activity among dealers. Michel Strauss of Sotheby's, doyen of Anglo-Saxon auction house experts in Impressionist and Modern Masters who has his world who's who of art buyers at his fingertips, reckoned at a glance that 25 percent of the buying on Tuesday night was done by professionals. Those 1 noticed buying belonged to the elite of the trade: Ernst Beyeler of Basel, Switzerland, and Bill Acquavella of New York.

In New York, Chinese Buying Power

THE buying power of Chinese art collectors made itself felt on a spectacular scale at Christie's sales in New York this week.

This was first demonstrated on Wednesday when part of the collection of calligraphy formed by the late Li Qiyun (1919-1984) attracted Chinese connoisseurs who competed beyond the wildest expectations on some occasions. The two most expensive lots were also among the very earliest. A hand scroll on paper considered to be the work of the seventh-century calligrapher Lu Jianzhi, whose signature indeed appears on it, soared to \$396,000. Many collectors' seals were stamped in the margins through the centuries, including one of Emperor Song Huizong (1101-1125) and several from famous men of letters and artists, which made a significant difference.

An album of 33 leaves with calligraphy by the Buddhist monk Huaisu (703-after 799) took Christie's experts by surprise as it climbed to \$319,000, far above the expected \$50,000 to \$70,000. It was not entirely unpredictable, however. This is the only known surviving copy of rubbings made from stela in the 12th century, which were carved at the time after the "Thousand Character Classic" calligraphed by the artist in the eighth century. Huaisu always has been one of the most revered calligraphers in China.

The day after, it was Chinese taste again, which dictated the price hitherto unmatched paid for a small turquoise-green celadon dish, 6.9 inches (17.7 centimeters) across, which brought \$1.54 million. It belongs to the category known as Northern Song to English-speaking collectors (from the name of the

dynasty under which it was executed) and ruyao to Chinese connoisseurs. About 100 pieces of this imperial type of porcelain, two thirds of them in Chinese hands, have been recorded. This one was sold by the Chinese dealer C.T. Loo of New York to the Chicago collector Stephen Junkunc 3d, whose son Stephen Junkunc 4th consigned it to Christie's. The ruyao dish went to a Hong Kong collector, outbidding a Japanese agent on the telephone.

from Tokyo. This is a personal triumph for Theow-Huang Tow, Christie's Chinese expert. The large number of lots otherwise failing to sell in the auctions of paintings from various sources and of objects d'art must be stressed, however. It should serve as a warning that estimates must still be reduced very substantially on most of the works of art.

Souren Melikian

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THE WORLD'S LEADING FINE ART AUCTION HOUSE SOTHEBY'S FOUNDED 1711

Bonn and Paris Set Out Agenda For EC Summit

By Brandon Mitchener
International Herald Tribune
BONN — Chancellor Helmut Kohl of Germany and President François Mitterrand of France ended two days of talks Friday...

Mr. Kohl, in what some observers said was a classic example of Germany and France determining the agenda for the Community's other members...

The EC and U.S. sealed their pact on farm trade. Page 11.

economic growth by subsidizing capital investments in such areas as infrastructure and residential construction...

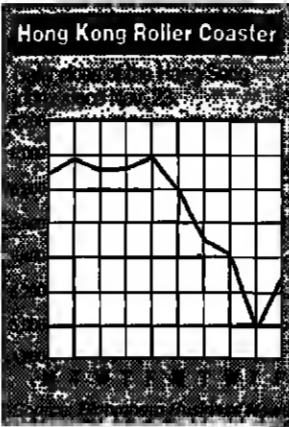
Some French officials went so far as to say the two leaders had reached a grand compromise on contentious issues such as locating the European central bank in Frankfurt...

Mr. Kohl, who has supported a quick end to the trade impasse, however, said: "We know how important the Uruguay Round of the General Agreement on Tariffs and Trade is in a period of worldwide recession..."

Regarding the financing of a growing EC budget, German statements said only that members "had to" reach a "responsible agreement" in Edinburgh on the pact known as Delors-11...

Hong Kong Still Wary Despite Rally

Compiled by Our Staff From Dispatches
HONG KONG — Stock prices surged 5.82 percent on Friday, recouping some of the week's sharp declines...



Chris Patten backed down on his plans to increase democracy in Hong Kong in the final four-and-a-half years of British rule. The mood in the market was buoyed somewhat by news that Chinese and British officials would meet next week...

The Hang Seng index jumped 289.89 points on Friday to 5,268.10. Even with the gain, however, the index ended the week down 718.57 points...

Former foreign secretary Lord Howe became the latest British official to take up Mr. Patten's cause, saying that China could not forever avoid negotiations over Mr. Patten's proposals...

For French Farmers, a Royal Ally in U.K.

PARIS — Prince Charles of Britain spoke out in defense of France's farmers on Friday and criticized the unbridled market economy. The prince said France had set an inspiring example "by giving due importance" to what he called "rural traditions"...

down suggestions that Prince Charles was meddling in politics. A government official rejected any suggestion that Charles was supporting the French farmers in their struggle...

France, Europe's biggest agricultural producer, has threatened to veto a world trade accord because it opposes a U.S.-EC deal to slash subsidized farm exports and restrict oil-seed cultivation...

Members of Parliament from both major British parties quickly criticized Prince Charles, saying his remarks were an intrusion into a sensitive political debate about trade. "It is unacceptable and remarkably insensitive and ignorant of the prince to step into the middle of the finely balanced negotiations in which thousands of British jobs are at stake," said Bob Cryer...

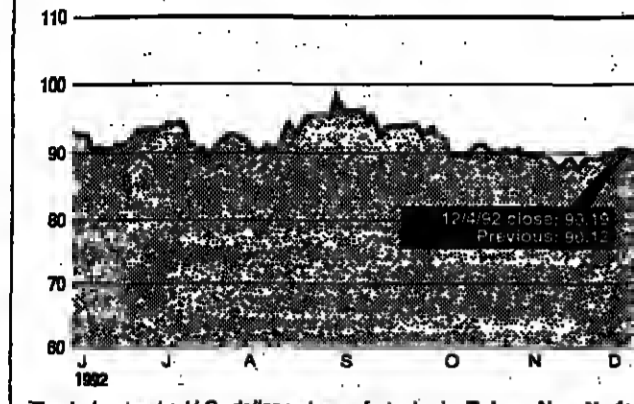
A Conservative member, Andrew Hargreaves, was less blunt. "The Prince of Wales seems to be particularly attached to the rural idyll, into which harsh reality seems to him to be an inconsequence," he said. "The British government, which has been a strong critic of French farm policy as a potential threat to a global trade deal, sought to play...

Mr. Nouri said the group's cumulative losses amounted to more than \$4 billion, and that reports completed by auditors and lawyers left no option. "The findings of our investigations over the last two months have been far worse than the most pessimistic situation we envisaged," Mr. Nouri said at a news conference...

Mr. Nouri's team took over at the head of Torres in June, ordered a new audit of the 1991 accounts and launched a full-scale study into the viability of its businesses. The audit showed a 44.4 billion peseta (\$390 million) loss for last year instead of the 3.96 billion profit reported originally...

THE TRIB INDEX: 90.19

International Herald Tribune World Stock Index, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

Table with columns for Asia/Pacific, Europe, and N. America, showing index values and percentage changes.

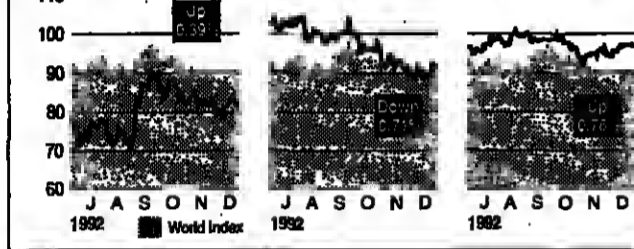


Table titled 'Industrial Sectors' showing index values and percentage changes for Energy, Utilities, Finance, Services, Capital Goods, New Materials, Consumer Goods, and Miscellaneous.

For readers seeking more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

ECONOMIC SCENE

Why They Won't Call It The Great Bush Recovery

By Lawrence Malkin
International Herald Tribune

NEW YORK — As the upbeat numbers roll in, one analyst after another concedes that the American economy has started to turn a corner just in time for Bill Clinton to take office next month. But doesn't George Bush deserve at least a parting bow as the architect of recovery? If he does, he isn't getting one from the economic community. It mainly faults Mr. Bush for what he didn't do, even though few economists believe any president can make the huge American economy quickly change direction, especially when it is burdened with the debts of the 1980s.

If anyone is getting the credit for the recovery, it is the Federal Reserve Board. The central bank has assisted the healing process of time by bringing down interest rates steadily but cautiously. It was never a certainty its policies would work. "They escaped by the skin of the teeth," remarked Allan Sinai of Boston Co. Economic Advisers Inc., when the statistics finally started looking bullish. The fed chairman, Alan Greenspan, has made it clear that his strategy was to lower rates so businesses and individuals could pay off their debts and banks could increase profits and write off bad loans. This would allow everyone to borrow, invest and buy again. The process took a long time — most of Mr. Bush's term in office. "In 1989 the government, business and the household sector realized that we had to go home and clean up from one hell of a party," said David C. Murre of High Frequency Economics. "We had to pay down debt and slow down on the growth of money, especially for goods. Bush had no coherent policy for it, unless you count 'Read my lips, no new taxes' — which also paralyzed most policy for the next four years. Even when the economy started coming out of recession in 1991 and stalled, he didn't know where to turn." Murray Weidenbaum, Ronald Reagan's first chief economist who quit over the mismatch in his policies, offered an inside view of Bush policymaking from a meeting with the president in the Oval Office on Aug. 12, just before the Republican convention. Four other Republican economists also were there. Paul McCracken and Martin Feldstein, also former chairmen of the

Fed rate cuts, not the White House, worked off the debt woes.

See RECOVERY, Page 12

KIO's Grupo Torras To Seek Receivership

Compiled by Our Staff From Dispatches
MADRID — Grupo Torras SA, the Spanish holding company for the Kuwait Investment Office, will file for receivership, the company's deputy chairman, Mahmoud Nouri, said Friday.

Mr. Nouri said the group's cumulative losses amounted to more than \$4 billion, and that reports completed by auditors and lawyers left no option. "The findings of our investigations over the last two months have been far worse than the most pessimistic situation we envisaged," Mr. Nouri said at a news conference. The application for a suspension of payments to creditors, which has to be considered by a judge, does not extend to the group's subsidiaries, including the Spanish paper group Torras Papel, of which Torras holds 90 percent, and Excos, a mining and fertilizer group of which Torras is the majority shareholder. Analysts said the move could be politically embarrassing for the KIO. Economics Minister Carlos Solchaga warned KIO officials last week that a suspension of payments "would produce complications for KIO." He also said that such a move could jeopardize the jobs of up to 50,000 workers. John Fordham, one of Torras's lawyers, said the group's losses had been accumulated "mainly because of mismanagement on a massive scale." He said \$2 billion had been lost in share transactions, a further \$700 million in share-support operations and \$600 million of short-term financing. Torras also said the KIO was preparing documents for "legal action" against the former administrators of Torras and of Torras's subsidiaries. Javier de la Rosa, the former KIO representative in Spain and Grupo Torras's former deputy chairman, has repeatedly denied any irregularities. He said Friday's decision was a result of KIO's refusal to honor its commitments in Spain, and denied that \$4 billion had been lost. Mr. Nouri's team took over at the head of Torres in June, ordered a new audit of the 1991 accounts and launched a full-scale study into the viability of its businesses. The audit showed a 44.4 billion peseta (\$390 million) loss for last year instead of the 3.96 billion profit reported originally. It also found irregularities in the former management of KIO's investments. The struggling industrial group has accumulated global debt of 330 billion pesetas. Mr. Nouri confirmed that the KIO recently injected \$1 billion into Grupo Torras. Asked if he foresaw difficulties in a company owned by the Kuwaiti state filing for receivership, Mr. Nouri said, "We took the decision not to let the Kuwaiti government buy Torres's board." He also said that Friday's decision did not mean the KIO was pulling out of Spain. (AFP, Reuters, Bloomberg)

REPUBLIC OF LEBANON REHABILITATION OF THE POWER SECTOR PRE QUALIFICATION OF CONTRACTORS

For the rehabilitation of power, transmission and distribution facilities throughout Lebanon, the Republic of Lebanon has received a joint US\$ 110 million loan from the Arab Fund for Economic and Social Development and the Kuwait Fund for Arab Economic Development, US\$ 30 million equivalent from the Italian Government, and has applied for a US\$ 175 million from the International Bank for Reconstruction and Development (IBRD), part of which will be applied towards the costs of rehabilitation. Negotiations are underway with other donors to secure additional funding.

It is intended that the proceeds of the above loans will be applied to payments to prequalified contractors under contracts to be awarded for the following work packages:

- overhaul, repair and retrofitting of boilers, steam turbines and auxiliaries of the power stations of Zouk (3 x 140 MW and 1 x 170 MW), and Jieh (2 x 60 MW and 3 x 69 MW);
• overhaul repair and retrofitting of six gas turbines at Zouk (4 x 30 MW and 2 x 20 MW);
• reconstruction, repair and retrofitting of 66kv/33kv/11kv substations (about 30);
• reconstruction of 150 kV and 66 kV overhead lines and underground cables;
• reconstruction, repair and retrofitting of distribution networks (33 kV, 11kV and 0.4 kV lines substations) and consumer connections.

The works will be executed under the supervision of consultants appointed by Electricite du Liban/CDR under donors guidelines.

Due to the critical and urgent nature of the work packages the times allowed for bid preparation and, later, implementation at the works will be kept to a minimum. Therefore only contractors who are capable of working under tight schedules and controls need apply for prequalification and such ability will be expected to be demonstrated during the prequalification exercise. Reasons for not prequalifying any firm or consortia need not be given and no costs associated in prequalifying will be reimbursed. Invitations for bidding will only be sent to firms or consortia which are prequalified.

The Council for Development and Reconstruction (CDR) invites contracting forum or consortia interested in bidding for all of the packages, to obtain prequalification documents from the CDR, Beirut - Lebanon that will be available by December 3, 1992. Deadlines for submission of prequalification bids with all supporting material at the CDR offices in Beirut, Lebanon is 12:00 noon on December 21 1992.

CURRENCY & INTEREST RATES

Table with multiple columns showing exchange rates for various currencies (Dollars, Eurocurrency Deposits, Key Money Rates, Other Dollar Values, Forward Rates) and interest rates for different terms (1-month, 3-month, 6-month, 1-year).

MARKET DIARY

Gain in Jobs Gives A Boost to Stocks

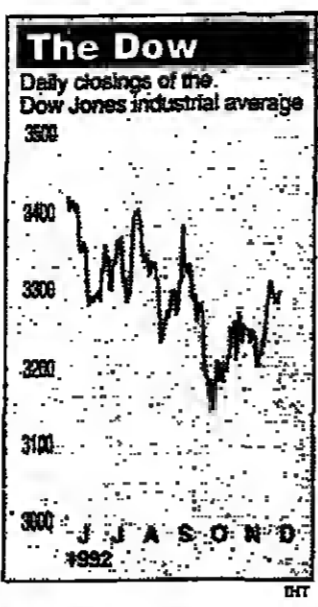
NEW YORK — U.S. stocks rallied Friday after the government reported that more than 100,000 jobs were created last month. The Dow Jones industrial average advanced 12.15 points to 3,288.68. The Nasdaq composite gained 5.24 to 661.60 and the Standard & Poor's 500 rose 2.15 to 432.06, both record levels. Advancing stocks outnumbered declining issues by more than 4 to 3 on the New York Stock Exchange.

JOB'S Recovery Touches Labor

Swinging back toward government rather than employers taking responsibility for health care, training, pensions and even severance. This type of structural reform is at the top of Mr. Clinton's agenda, and the more certain he can be of steady job growth, the more his political time and credit he will devote to reforms that will increase productivity.

MEETING: Agreement in Bonn

French economy is self-evident. Mr. Kohl and Mr. Mitterrand did not disclose details of the proposed changes in the European Parliament, but sources cited a carefully defined deal in which the 18 new Eastern German representatives would be graduated from observers to voting members in exchange for an increase in the number of French, British and Italian representatives.



Daily closings of the Dow Jones industrial average

Dow Jones Averages

Table with columns: Index, Open, High, Low, Close, Chg. Includes Dow Jones Industrial Average, Standard & Poor's 500, NYSE Composite, and NASDAQ Composite.

Standard & Poor's Indexes

Table showing various S&P indexes like Industrials, Utilities, Finance, and Commodities.

NYSE Most Active

Table listing the most active stocks on the NYSE, including volume, price, and change.

NYSE Diary

Table listing various NYSE stocks and their performance.

NASDAQ Diary

Table listing various NASDAQ stocks and their performance.

EUROPEAN FUTURES

Table showing European futures prices for food and other categories.

Metals

Table showing metal futures prices for commodities like aluminum and copper.

Stock Indices

Table showing stock indices for various European countries.

Spot Commodities

Table showing spot commodity prices for various goods.

Dividends

Table showing dividend payments for various companies.

Financial

Table showing financial data for various companies.

U.S. FUTURES

Table showing U.S. futures prices for grains, metals, and livestock.

U.S. / AT THE CLOSE

UNUM Agrees to Acquire Colonial

PORTLAND, Maine (Reuters) — UNUM Corp., a specialty insurer, said Friday it had agreed to acquire Colonial Cos. in exchange for stock valued at about \$750 million.

PNC Financial to Buy Ohio Bancorp

PITTSBURGH (AP) — PNC Financial Corp. plans to buy Ohio Bancorp in a stock swap worth about \$251 million, the bank holding companies said Friday.

Merrill Is Named in Marriott Suit

BALTIMORE (Bloomberg) — Merrill Lynch & Co., which advised Marriott Corp. on its controversial reorganization plan, is a defendant in a class-action suit filed Friday against the hotel chain and its executives.

Kraft Realigns 2 Operating Groups

NORTHFIELD, Illinois (Reuters) — Kraft General Foods, a unit of Philip Morris Cos., said Friday it had realigned two of its operating groups, Oscar Mayer Foods and the K&G Frozen Products Group.

For the Record

Russia defaulted on \$2.9 million more in U.S.-guaranteed farm loans, bringing total payments owed in arrears to \$7.7 million, an Agriculture Department spokesman said.

WORLD STOCK MARKETS

Large table listing stock market data for various international markets including Amsterdam, Brussels, Frankfurt, London, Milan, Zurich, Stockholm, Toronto, and others. It includes columns for stock prices, indices, and changes.

EUROPE

East German Gets Rich, Western Style

By Marc Fisher
Washington Post Service
BERLIN — The first time Andreas Lamla started his own business, he ended up building a submarine on an apartment balcony in a desperate attempt to flee his country. That was in communist East Germany, which appreciated neither Mr. Lamla's entrepreneurial spirit nor his attempted escape to the West.

EC and U.S. Sign Pact on Farm Trade

BRUSSELS — The European Community and the United States, formally stepping back from the brink of a trade war, signed two documents on Friday detailing for the first time their crucial agreement on oilseeds and farm trade.

Investor's Europe

Table showing stock indices for Frankfurt (DAX), London (FTSE 100 Index), and Paris (CAC 40) with daily and weekly changes.

Very briefly:

- Deutsche Bank, coordinator of the steering committee on debt of the former Soviet Union, said some 12 billion Deutsche marks (\$7.59 billion) in debt would be rolled over for 90 days, the fifth extension granted so far.

LOTTO: Unpredictable Markets

(Continued from page 1)
Clinton to modify his plans for an economic stimulus package that would bolster government borrowing.

Porsche Slashes Dividend to Minimum Allowed

Compiled by Our Staff From Dispatches
BONN — Porsche AG, which has been troubled by weak sales of its sports cars, unexpectedly announced Friday that it would pay the minimum allowable dividend on its publicly traded preference shares.

Siemens-Skoda Talks Deadlocked

Bloomberg Business News
ERLANGEN, Germany — Cooperation talks on two planned joint ventures between Siemens AG and the Czechoslovak engineering company Skoda are deadlocked, Siemens said Friday.

Currencies Dim Norway's Prospects

OSLO — Norway's government cut its forecast for 1993 growth Friday, to 1 percent from 1.5 percent, in a revised budget that predicted the deficit would hit a record 51.4 billion kroner (\$7.9 billion).

NYSE

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press.

NYSE High-Lows table listing various stocks and their price ranges.

NYSE High-Lows table listing various stocks and their price ranges.

NYSE High-Lows table listing various stocks and their price ranges.

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Table with 10 columns of numbers (1-49) for lottery entry.

Form for selecting lottery options, including checkboxes for 'One Game', 'Two Games', etc., and payment methods.

RECOVERY: Federal Reserve, Not Bush, Gets Credit for the Upturn

(Continued from first finance page)
Council of Economic Advisers, urged the president to blame the Fed for not moving aggressively. Martin Anderson, a policy adviser under Mr. Reagan, urged him to blame Congress. John Taylor of Stanford suggested the Reaganite standby — cut taxes.

Mr. Weidenbaum said he told Mr. Bush, "Don't play the blame game. People are tired of hearing who shot John." They want to hear what you're going to do about it. He suggested a tax break for business investment — also endorsed by Mr. Feldstein and now almost certain to be proposed by the victorious Democrats. He also suggested tax credits for businesses offering new jobs. Mr. Bush was noncommittal. What happened?

"When I saw the convention on television," Mr. Weidenbaum recalled, "I knew the quick-fix people had won — blame someone else and offer a gimmick on taxes."

In fact, the revival was just beginning, although no one knew it yet. Statistics published after the election showed the economy grew at a 3.9 percent rate in the third quarter, the best of Mr. Bush's term.

Although the evidence is anecdotal, small business is finding some banks more willing to loan. "Businesses that the bank wouldn't look at a year ago are starting to get credit," Mr. Hale said.

Banks have floated \$14 billion in new stock and are better capitalized than at any time since 1966. In his first speech after the election, Mr. Greenspan said that the worst

of the credit crunch was past and that banks were in reasonable shape to help finance and thus sustain an economic expansion.

Mr. Hale also pointed out that the ratio of household interest payments to personal disposable income had dropped to 16 percent from its peak of 18.5 percent three years ago. It is not surprising, therefore, that early signs of revival came in retail sales, which now are outpacing the disastrous Christmas seasons of the past two years.

"Remember," said David Rolley of DRI/McGraw Hill, "ninety-two percent of Americans still have jobs. If they feel that the bottom of the cycle of layoffs has been reached, and their jobs are safe, people who actually have a job will start to feel different about spend-

ing, and that can start the cycle going again."

That cycle has not fully kicked in yet, however, and there are still quite a few economists who are not certain it will. That's because some of the recovery reflects pent-up demand, retail consultant Kurt Bernard said, and that demand is unlikely to continue without rising income from new employment.

"All the engines are not firing," said Lacy Hunt of HSBC Holdings.

If the expansion remains uneven well after the Christmas season, the main promise of the Clinton campaign — jobs — will retreat even farther, and the Clinton expansion will quickly become the Clinton stagnation. George Bush, of course, will be history.

NASDAQ

Friday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
110	100	IBM	4.00	3.6%	13	110	100	110	100
100	90	Microsoft	0.00	0%	15	100	90	100	90
90	80	Oracle	0.00	0%	12	90	80	90	80
80	70	Sun	0.00	0%	10	80	70	80	70
70	60	Intel	0.00	0%	11	70	60	70	60

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
60	50	Motorola	0.00	0%	14	60	50	60	50
50	40	Texas Instruments	0.00	0%	13	50	40	50	40
40	30	Advanced Micro Devices	0.00	0%	12	40	30	40	30
30	20	AMD	0.00	0%	11	30	20	30	20
20	10	ATI	0.00	0%	10	20	10	20	10

AMEX

Friday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
100	90	IBM	4.00	3.6%	13	100	90	100	90
90	80	Microsoft	0.00	0%	15	90	80	90	80
80	70	Oracle	0.00	0%	12	80	70	80	70
70	60	Sun	0.00	0%	10	70	60	70	60
60	50	Intel	0.00	0%	11	60	50	60	50

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
50	40	Motorola	0.00	0%	14	50	40	50	40
40	30	Texas Instruments	0.00	0%	13	40	30	40	30
30	20	Advanced Micro Devices	0.00	0%	12	30	20	30	20
20	10	AMD	0.00	0%	11	20	10	20	10
10	5	ATI	0.00	0%	10	10	5	10	5

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
40	30	Motorola	0.00	0%	14	40	30	40	30
30	20	Texas Instruments	0.00	0%	13	30	20	30	20
20	10	Advanced Micro Devices	0.00	0%	12	20	10	20	10
10	5	AMD	0.00	0%	11	10	5	10	5
5	2	ATI	0.00	0%	10	5	2	5	2

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
30	20	Motorola	0.00	0%	14	30	20	30	20
20	10	Texas Instruments	0.00	0%	13	20	10	20	10
10	5	Advanced Micro Devices	0.00	0%	12	10	5	10	5
5	2	AMD	0.00	0%	11	5	2	5	2
2	1	ATI	0.00	0%	10	2	1	2	1

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
20	10	Motorola	0.00	0%	14	20	10	20	10
10	5	Texas Instruments	0.00	0%	13	10	5	10	5
5	2	Advanced Micro Devices	0.00	0%	12	5	2	5	2
2	1	AMD	0.00	0%	11	2	1	2	1
1	0.5	ATI	0.00	0%	10	1	0.5	1	0.5

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
10	5	Motorola	0.00	0%	14	10	5	10	5
5	2	Texas Instruments	0.00	0%	13	5	2	5	2
2	1	Advanced Micro Devices	0.00	0%	12	2	1	2	1
1	0.5	AMD	0.00	0%	11	1	0.5	1	0.5
0.5	0.2	ATI	0.00	0%	10	0.5	0.2	0.5	0.2

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
5	2	Motorola	0.00	0%	14	5	2	5	2
2	1	Texas Instruments	0.00	0%	13	2	1	2	1
1	0.5	Advanced Micro Devices	0.00	0%	12	1	0.5	1	0.5
0.5	0.2	AMD	0.00	0%	11	0.5	0.2	0.5	0.2
0.2	0.1	ATI	0.00	0%	10	0.2	0.1	0.2	0.1

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
2	1	Motorola	0.00	0%	14	2	1	2	1
1	0.5	Texas Instruments	0.00	0%	13	1	0.5	1	0.5
0.5	0.2	Advanced Micro Devices	0.00	0%	12	0.5	0.2	0.5	0.2
0.2	0.1	AMD	0.00	0%	11	0.2	0.1	0.2	0.1
0.1	0.05	ATI	0.00	0%	10	0.1	0.05	0.1	0.05

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
1	0.5	Motorola	0.00	0%	14	1	0.5	1	0.5
0.5	0.2	Texas Instruments	0.00	0%	13	0.5	0.2	0.5	0.2
0.2	0.1	Advanced Micro Devices	0.00	0%	12	0.2	0.1	0.2	0.1
0.1	0.05	AMD	0.00	0%	11	0.1	0.05	0.1	0.05
0.05	0.02	ATI	0.00	0%	10	0.05	0.02	0.05	0.02

12-Month High	Low	Stock	Div	Yield	PE	1992 High	Low	1991 High	Low
0.5	0.2	Motorola	0.00	0%	14	0.5	0.2	0.5	0.2
0.2	0.1	Texas Instruments	0.00	0%	13	0.2	0.1	0.2	0.1
0.1	0.05	Advanced Micro Devices	0.00	0%	12	0.1	0.05	0.1	0.05
0.05	0.02	AMD	0.00	0%	11	0.05	0.02	0.05	0.02
0.02	0.01	ATI	0.00	0%	10	0.02	0.01	0.02	0.01

ASIA/PACIFIC

U.S. Presses Taiwan on Copyrights

TAIPEI — Taiwan and U.S. officials began wide-ranging talks here Friday on intellectual-property rights, with Washington warning that failure to improve protection would lead to retaliatory trade measures, officials said.

No Capital Flight Seen In Hong Kong Despite Big Decline in Stocks

HONG KONG — The sharp slide on the Hong Kong stock market, which lopped some 300 billion Hong Kong dollars (nearly \$39 billion) off share values in just four days this week, has created mostly paper losses so far, with no signs of a huge flight of capital, analysts said Friday.

Tokyo's Trade Surplus Grows October Surge Likely to Raise Partners' Ire

TOKYO — Amid ruminations from abroad about its advantages in trade, the Japanese government said Friday that its current-account surplus soared 59.7 percent year-on-year in October, to \$11.09 billion.

Matsushita's U.S. Subsidiary Expects Growth

NEW YORK — Matsushita Electric Corp. of America's revenue will grow by 6 percent, to about \$6 billion, in the financial year that ends March 31, the unit's chairman said Friday.

Japanese Bullish on Foreign Bonds

TOKYO — Japanese net purchases of foreign securities climbed to a 12-month high of \$5.8 billion in October as bond buyers moved to the highest level since January, the Finance Ministry said Friday.

Investor's Asia

Table with columns for Hong Kong, Singapore, and Tokyo indices. Includes line graphs for Hang Seng, Straits Times, and Nikkei 225. Data points for various indices and their percentage changes.

Very Briefly:

- BP Australia Ltd. offered its 49 percent interest in the Olympic Dam mine to its partner Western Mining Ltd. for \$455 million. The offer was triggered by the British Petroleum PLC unit's previously announced deal to sell the stake to Minero SA, and Western Mining's plans are unclear.

ADVERTISEMENT INTERNATIONAL FUNDS

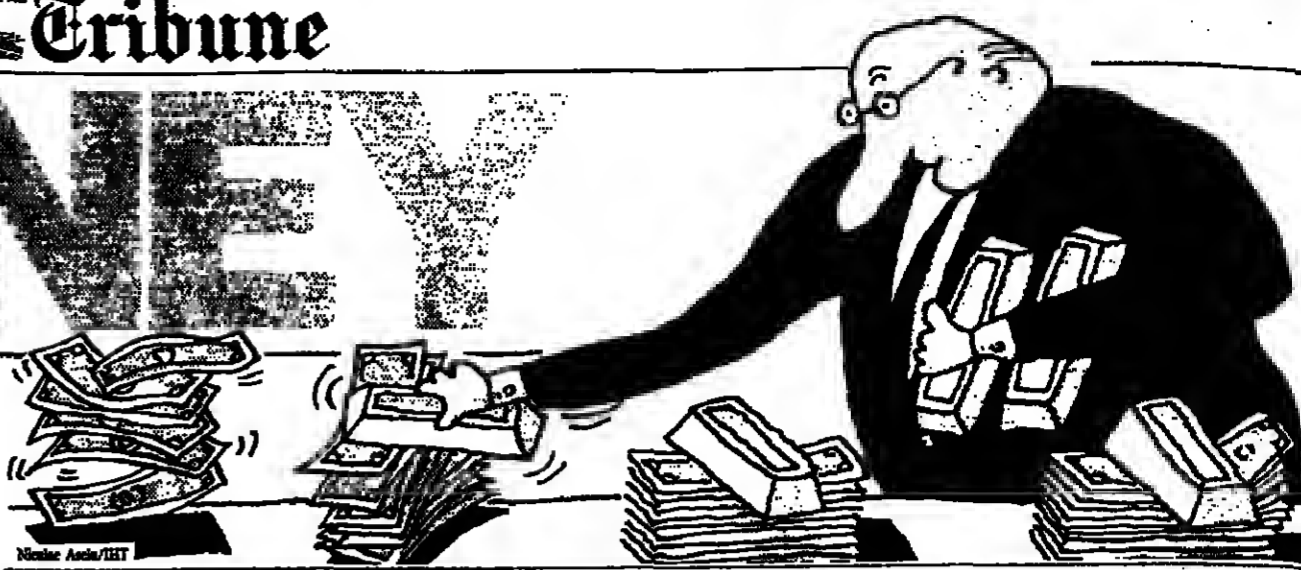
Large table listing various international funds with columns for fund names, currencies, and other details. Includes sub-sections for 'Other Funds' and 'For investment information'.

For investment information read THE MONEY REPORT every Saturday in the IHT

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 21 33.

MONEY

Saturday-Sunday,
December 5-6, 1992
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FIRST COLUMN Hard Times Ahead for Hong Kong?

IT'S tough, being a capitalist. For confirmation of that assertion, don't ask beleaguered real estate speculators in Manhattan, nor distraught fund managers in Tokyo. Ask a Communist, if you can still find one.

Part of the problems that have occurred as Communism recedes and the capitalist system advances is that people don't know what it is to be a capitalist. The German banks, for example, were very quick off the mark in setting up seminars in Eastern Germany for managers of collective factories and would-be entrepreneurs even before formal reunification. The objective was to help the easterners thrive in a western-style economy. Senior management at Deutsche Bank, among others, indicated at the time its acute awareness of the impending difficulties. Unfortunately, acute awareness of the difficulties has not alleviated the acuity of the problems.

It is in the light of capitalism's being a difficult credo to follow that this week's apparently ecstatic news from Hong Kong should be judged. Down more than 14 percent in local currency terms in four days' trade thanks to the Chinese government's hostile reaction to democratic posturing from Hong Kong's governor, Chris Patten, some commentators say we are seeing a diplomatic version of the Tiananmen Square massacre.

THIS argument has some validity. When the tanks rolled in Beijing, the Hong Kong market suffered badly and bounced back. It would be very surprising if Hong Kong shares did not show considerable resilience before 1997. Much of the rest of the world may be in recession, but Hong Kong is a boom city, while China is recording staggering economic growth.

But what happens when Hong Kong is under Chinese rule? Part of the underlying confidence of the markets comes from the fact that they are reacting to the acts of a foreign government. What happens when the markets see their domestic government taking drastic, Tiananmen Square-style action? And the odds are that when in power the Chinese will, inadvertently or otherwise, make the markets nervous. After all, it's tough, being a capitalist. **M.B.**

Trying to Get a Hedge On Currency Volatility

By Rupert Bruce

THE gyrations seen on the world's currency markets this week have left investment opinion sharply divided. The latest currency to be the target of speculative selling by foreign exchange traders is the French franc, which weakened to 3.41 to the Deutsche mark before recovering toward the end of the week. Where will it go next?

The French finance minister, Michel Sapin, was quick to declare that the speculation had ended, but many traders were less than convinced by this pronouncement. Short of a cut in German interest rates, they argued, the late upward trend in the franc's fortunes was merely a temporary respite before the next wave of selling.

Whatever the economic virtues—or vices—of the situation, the investment outcome is clear. More than one fortune has been made in the turbulent foreign exchange markets of the last three months. In retrospect, it looks like easy money.

Easy, that is, if you have the expertise, the confidence and the means to play the market. But what if you fail to qualify on some of these counts?

One solution is to invest in a managed currency fund. The professional managers of these funds invest in a range of currencies with the aim of benefiting from foreign exchange rate movements.

Whether this is a good or bad time to buy one of the traditional managed currency funds depends on whether the investor is dollar-based or based in a European currency. Some forecasters expect the dollar to appreciate for some time, while European currencies are expected to decline.

On that view, this may be a bad time for dollar-based investors to use these vehicles. If, after all, you already have your money in a currency that is expected to perform strongly over the short-to-medium term, why diversify? Conversely, European investors who subscribe to the stronger dollar theory may find this a propitious time to invest.

Philip Saunders, investment director of currency and fixed income at Guinness Flight Global Asset Management, which has a traditional managed currency fund, said: "There is a fairly good chance that we have seen the beginning of a trend in recovery in the dollar that may last two years or so."

"The dollar has been in a bear market for seven years, although there have been rallies

against that trend, but they have been reversed."

The dollar bottomed last Sept. 2, when it was worth just 1.39 DM. That compares with its 1985 high of 3.47 DM. This week the dollar has traded above 1.57 DM.

When explaining the recovery of the dollar and the fall from grace of the European currencies, investment managers cite, among other things, likely interest-rate movements, a recovery in the U.S. economy, economic malaise in Europe and the inferior purchasing power of the dollar compared with European currencies.

But although it may make little sense for the dollar-based investor to buy a traditional managed currency fund just now, dollar strength is no reason to avoid the new generation of currency hedge funds. Unlike traditional funds, which invest mainly in cash deposits or short-term fixed-interest securities, the hedge funds often use currency options and forward contracts to exaggerate the gain from foreign exchange movements.

Lord Cobbold, managing director of London-based Gaiacorp Currency Managers, which runs the Gaiacorp Currency Hedge II fund, said: "With our fund it does not really make any difference what the base currency is. The base currency is dollars, in fact, but we can be long of dollars in the fund. We can be buying heavily into forward dollars—as is indeed we are at the moment."

But the high leverage of these funds also makes them extremely volatile. Over the year to the beginning of November, Gaiacorp Currency Hedge II was up 22 percent and among the top performers in the offshore managed currency fund sector, according to statistics from Microcap Ltd. But then the markets turned, and in the last week of November the fund fell by 18 percent, according to Lord Cobbold.

The positions in Gaiacorp's funds are determined by a computer model devised by J.T. Ross Jackson, the firm's chairman and founder. This chooses currencies by analyzing trends in the markets and interest-rate differentials between currencies.

"One of the problems of the model is that because it takes into account interest-rate differentials it does tend to favor high-interest-rate currencies," Lord Cobbold said. "Obviously the risk in a high-interest-rate currency is that one day it will devalue, especially within the exchange-rate mechanism."

Although Gaiacorp recognized devaluation pressures in the ERM during September and took the unusual step of reducing Gaiacorp

Investing Through Turbulent Times

Best performing managed currency funds. Value of \$100, income reinvested, excluding charges.

Over one year to Nov. 30, 1992.		Over three years to Nov. 30, 1992.		Over five years to Nov. 30, 1992.	
FUND	PERFORMANCE	FUND	PERFORMANCE	FUND	PERFORMANCE
Kemco Trust Enigma Currency	141.89	Tyndall Managed Currency Sds.	152.12	Baring CFL Managed	172.07
BB1 Capital Cash	112.67	Hambros European Managed	148.39	Tyndall Managed Currency Sds	182.25
AIB Grosfund US Dollar Mgd Curr.	112.14	PrivaLux Slsav (m)	145.32	AIB Grosfund Sterling Mgd Curr.	159.86
BB-Forex Ltd.	111.17	Baring CFL Manager	145.18	Pacific US Forex	155.88
PrivaLux Slsav (m)	110.14	Alled Durbar Managed Currency	141.38	Prudential CF Growth D	153.20
Chlorox SA Managed Currency	109.65	Broadgate 2 MonKl NonUSD+G	140.42	Guinness FI Gaf Mngd Currency	152.31
Meridian Multi-Currency	109.16	Prudential CF Income A	140.34	Prudential CF Income A	151.87
Bermuda Int'l Currency Manager	109.14	Prudential CF Growth D	140.25	Prudential CF Income B	149.91
Hambros CF European Managed	109.00	AIB Grosfund US Dollar Mgd Curr.	139.85	Lazard CRF Managed	148.94
Broadgate 2 MonKl NonUSD+G	108.96	AIB Grosfund Sterling Mgd Curr.	139.92	Hambros CF European Managed	145.85
Sector Average	102.02	Sector Average	125.73	Sector Average	133.47

Source: Microcap

Currency Hedge II's leverage, it was caught out in the last week of November by the devaluation of the Swedish krona and by the effect that had on other currencies.

Another weakness of the Gaiacorp funds, and many of the other new generation of funds that rely extensively on trend-following computer models, is that when currency markets are choppy they perform badly. This led to a disappointing performance for many from the start of the Gulf War in late 1990 through the end of March 1992.

Some of the currency hedge funds recognize that all styles of currency management

have strengths and weaknesses, and so split their portfolios between a number of commodity trading advisers. This tends to smooth out the funds' performance, and also leaves the funds' administrators free to change CTAs when they think fit.

This strategy is common in the United States, but one of the first in Britain to adopt the policy of using several CTAs is FX Limited Partnerships. James Green, managing director of the Resource Partnership, which is launching the investment vehicle, claims that the combined performance of the funds managed by his CTAs over the three

years to July 1992 has been considerably better than the London Stock Exchange's FT-SE 100 share index—and also considerably less volatile.

When faced with claims like this, Gareth Evans, the director of Rothschild Asset Management, a company that has a range of traditional offshore managed currency funds, says that people only ever hear about managers who are doing well. These managers have an alarming tendency to do well for a while and then lose their touch, he says. And you do not hear from those who haven't done well, often because they've gone out of business, he claims.

Time for Shipping Stocks to Come About?

By Aline Sullivan

FOR over five years shipping stocks have been beleaguered in the doldrums. But it seems that at last the wind may be rising, according to some shipping analysts.

The Baltic Freight Index, which measures freight futures for dry cargo voyages and charters around the world, has climbed steadily recently and is up about 3 percent in the last month. Other factors that suggest a rise in shipping company earnings are increasing passenger demand and a stronger dollar, ship brokers and analysts said.

Investors are understandably cautious, however. Shipping stocks were the darlings of the 1970s and again in the mid-1980s. On each occasion, the industry raised funds at the expense of individual and institutional investors who were unfamiliar with the shipping cycle and vulnerable to poorly structured equity deals.

"Shipping has always been speculative and this time is no exception," said Ole Storer, a transport analyst at County NatWest Securities in London. "It can be very attractive now to invest in companies which are highly leveraged and have suffered a lot in the recession. But you have to get your timing right."

The shipping market can be a mine-field for the unwary because ships take so long to build. The shippers' order books are full when cargo rates are high. But delivery can take years, and future demand is hard to predict. The Gulf War caused a sharp contraction in demand that was not expected when shippers were booming in the mid-70s.

Peter Stokes, a shipping consultant and former stockbroker, recently set up a private investment fund in Guernsey in the Channel Islands to take advantage of what he sees as an imminent rise in the value of shipping and shipping-related securities.

The fund, Castalia Offshore Partners Ltd., expects to have \$10 million to \$20 million under management by the mid-1993. Clients need to invest at least £1 million (\$1.5 million) and redemption is allowed only once a year. According to Mr. Stokes, the fund allows investors to take both short and long positions and to invest in shipping-related indices. This will enable clients to profit "throughout the shipping cycle," he said.

"It is an interesting time to invest for both structural and market reasons," Mr. Stokes said. "Shipping stocks have come down to attractive levels, particularly in Stockholm and Oslo. Companies will need more funding soon and there should be some good investments available."

Mr. Stokes wants to avoid what he sees as the mistakes made by several other shipping funds, which have aimed to acquire strategic stakes in companies rather than spread their investments.

Norwegian investor Torstein Hagen's Marine Investment fund last year gained control of about 25 percent of Dutch transport giant Nedlloyd Groep NV. Mr. Hagen has since won a seat on Nedlloyd's board despite fierce opposition from management. But shares in Nedlloyd remain depressed and the company said last month that it will make a loss this year.

Another fund, the International Shipping Investment Company in the Isle of Man, was set up in 1989 to invest in shipping securities on behalf of Scandinavian blue chip compa-

County NatWest's Mr. Storer is advising clients to buy shares in Norway's Bergesen A/S to gain exposure to an upturn in the tanker market. In the container and liner sector, he recommends Nedlloyd and two Norwegian companies—Leif Hoegh & Co. and Norwegian American Lines.

In Britain, where there are virtually no pure shipping stocks, shares in Peninsular & Oriental Steam Navigation Co. and Tiphook PLC have been volatile as they reflect swings in economic optimism. Trafalgar House PLC, the coal-trading company that owns the Curlew cruise line, said earlier this week that shipping conditions remain difficult and that it plans to restructure its fleet to focus on the luxury market.

"The cruise market is going to have a bad time next year because there is excess capacity and because discounting has become entrenched," Mr. Stokes said. "The one outstanding company, Carnival Cruise, is overpriced," he said of the U.S. stock.

In Japan, sluggish international trade and the relatively high value of the yen have depressed shipping company earnings. Nippon Yusen K.K., the world's largest shipping company, and Mitsui O.S.K. Lines Ltd. and Kawasaki Kisen Kaisha, or K Line, all recorded a drop in net profit for six months to the end of September.

Trade between the Southeast Asian economies has helped them fare better than their European and American counterparts, however. Capacity pressures in the bulk and container shipping markets worldwide could be eased if the current round of global trade talks is concluded successfully, said Peter Bergius, transport analyst at Kleinwort Benson Securities.

Shipping companies historically have not relied heavily upon the equity markets for finance, preferring to tap banks for funding. But recession in Europe has forced banks to review their lending criteria and many shipping companies are finding their financing needs are no longer being met.

Analysts therefore expect a flood of share offerings as the shipping companies seek funds to build new capacity. Mr. Stokes warned that investors should not be tempted by a common ploy of shipping companies—the creation of shipping affiliate companies in which investors are enticed to put their money. Participation in such companies gives investors no say in the management of the parent company, he said.

Trade between Southeast Asian economies has helped them fare better.

The fund currently has about \$25 million in capital and owns 25 percent of Bermuda-based ship finance company Oceanic Finance Corp. Managing Director Cato Brahdde said he expects all sectors of the shipping industry to show substantial improvement next year.

Shares in Norwegian shipping companies have a long way to climb to reach the levels of even a year ago. The Norwegian industry received a double blow last year when the equity market was hit by recession and the government canceled tax breaks for limited partnerships acting as single-purpose investment vehicles, a move that bankrupted many of the country's smaller shipping groups.

"Shipping in Norway is a good investment now for the long term because the companies that are left are very strong," said Harold Moreus Hanssen, head of research at stockbrokers Pearnley Finas in Oslo. "But in the short term, we are approaching the spring when there is always a seasonal weakness."

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BRIEF CASE

Providence Capitol Offers A High-Risk Futures Fund

Providence Capitol International has launched a new fund that will invest in financial and commodity futures and forward contracts. The Managed Futures Fund will spread its money across a variety of commodity trading advisers. Each adviser will be employed "for a specialist understanding of particular commodities or market conditions after a thorough examination of its track record."

Providence Capitol International grades its funds according to risk. The new vehicle has a ranking of five, which puts it in the highest risk category.

The fund is domiciled in the Channel Islands, and qualifies for the attendant tax privileges.

Minimum investment is \$50,000, or investors may contribute \$500 a month to a regular savings plan. Equivalent investments in major foreign currencies are accepted.

There is a 7 percent spread between bid and offer prices, and a management fee of 1.25 percent a year.

For more information, write Providence Capitol International, P.O. Box 121, Rohais, St. Peter Port, Guernsey, Channel Islands; or call Guernsey (44 481) 726 726.

Malaysian Bank Launches Fund at New Offshore Base

Public Bank (L) Ltd., a subsidiary of Malaysia's largest private bank, Public Bank Bhd., is launching an offshore managed currency deposit fund in association with currency fund manager Gaiacorp.

"Aimed at long-term investors throughout the Pacific Basin, the fund initially will commit 60 percent to currency forward contracts, with 30 percent in options and 10 percent in cash."

There is no initial charge, although there is an annual management fee of 1 percent, with a performance fee of 10 percent of profits in excess of 15 percent a year.

The fund is domiciled in the relatively untested financial center of Labuan, which the Malaysian government is promoting as the new offshore financial center for Asia.

Credit Suisse Pares Fees On Its Leading Income Fund

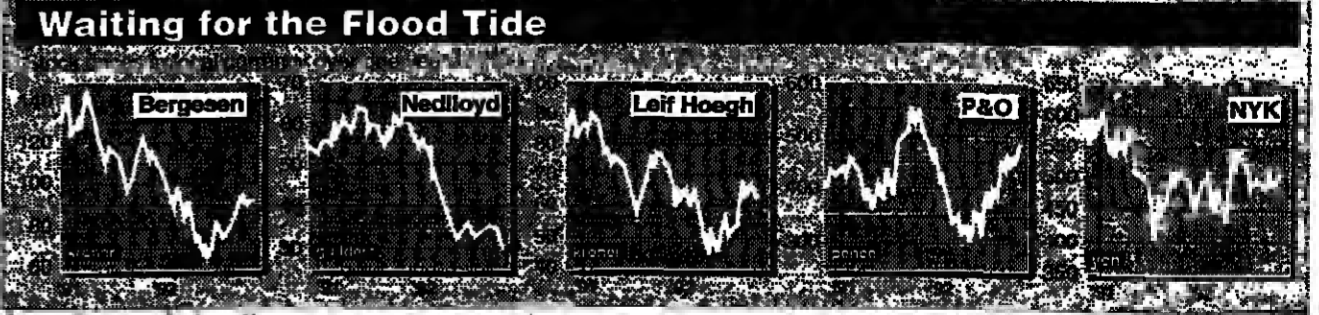
Credit Suisse Asset Management is seeking to attract new business for its star mutual fund, the Buckmaster Income Fund. Investors subscribing at least £2,500 (\$3,750) to the vehicle before Jan. 4 will receive a one-point discount off the standard initial charge of 5.25 percent.

The fund has the best track record of all U.K. income mutual funds over the five years to the beginning of November, according to fund monitors Microcap.

Fund manager Tim Gregory attributes the performance to "active trading, never being afraid to cut positions when it has become apparent that companies are doing badly."

"A substantial proportion of the fund has been invested in companies which has not only benefited capital and yield performance directly but has also allowed us to invest in relatively lower yielding stocks."

For more information, write: Credit Suisse Asset Management, Beaufort House, 15 St. Botolph Street, London EC3A 7JJ; or call London (44 71) 247 7474.



THE MONEY REPORT

Time Horizon Is Key in Paying Fund Fees

By Conrad de Anille

AMERICAN broker-dealers, forced to live in a more competitive marketplace for investment funds, are turning increasingly to a tried-and-true sales device to make their funds more attractive — the installment plan.

Shareholders buying into broker-sold funds now are often given a choice: Either they pay a one-time sales charge, or front-end load, and so conform to what used to be standard industry practice, or they can pay in annual bites, sometimes with an additional charge tacked on when the shares are sold back.

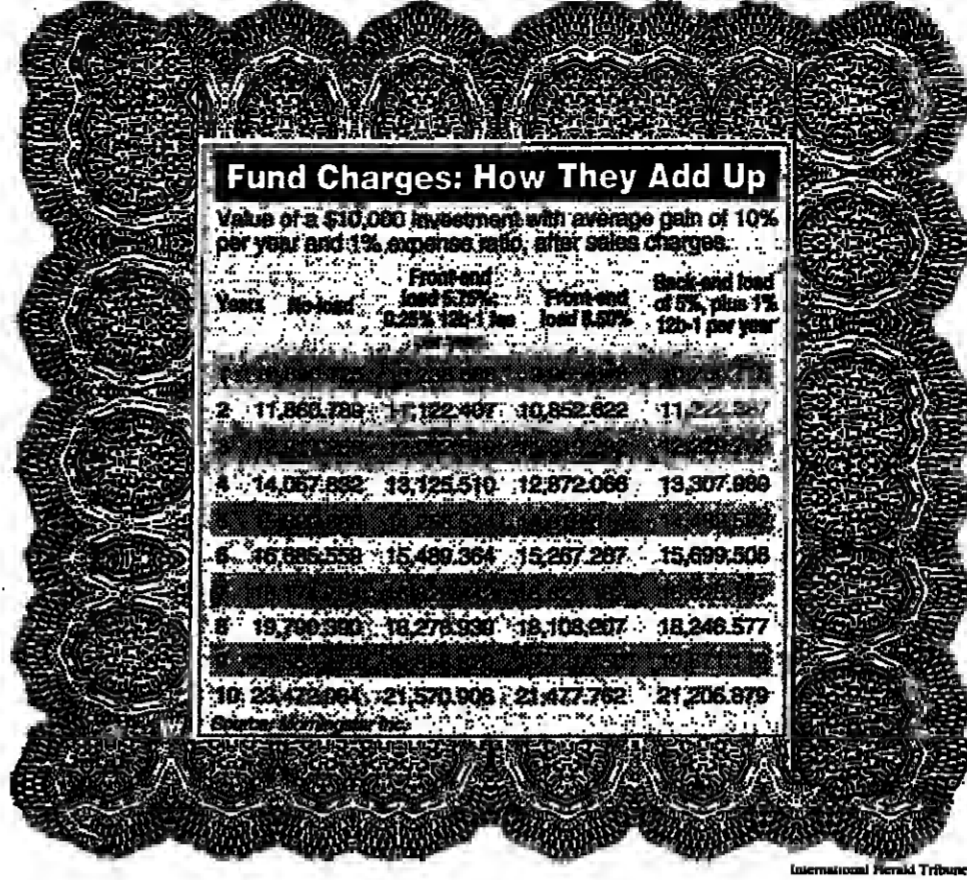
Some companies offer two funds that are identical in every respect except the sales charge. Usually, the same fund is sold with "A" and "B" shares. That's what Merrill Lynch does with its Short-Term Global Income Fund. Launched two and a half years ago, the fund carries a 3 percent front-end load for the A shares.

The B shares have no load, but they come with a 12b-1 fee of 0.75 percent, half a percentage point higher than the one carried by the other shares. (12b-1 fees are charges for marketing that funds are able to assess beyond their other operating expenses.)

The B shares also have a redemption charge that declines from 3 percent after the first year to 2 percent after the second and 1 percent after the third year. After that there is no redemption charge.

Merrill offers 35 other funds with A and B shares. Paine Webber is also a big practitioner. And Shearson Lehman Brothers just announced the launch of a growth-and-income fund with two share classes — Massachusetts Financial Services is one fund family that continues to sell closed funds with different charging structures, but a spokesman says a request has been filed with regulators to begin offering A and B shares.

"It's like choosing your flavor of ice cream," said Betty Hart, spokeswoman for the Investment Company Institute. "Under pressure of competition, people are offering a variety of pricing methods for funds sold through brokers.



Some benefit investors who stay in the funds longer."

That's the case with Merrill Lynch Short-Term Global Income. Shareholders who stick with the B shares for three years and a day will pay an extra 1.5 percent of assets in 12b-1 fees but they will save the 3 percent sales load. They would have to hold onto their shares for six years before it becomes advantageous to have paid the load. That may explain the overwhelming preference among shareholders for the B shares: They have total assets of \$3.46 billion, the A shares a mere \$304 million.

"We generally see a mix of somewhere around 85 percent Class B shares and 15 percent Class A," said Greg Duret, marketing manager for Merrill Lynch Funds. "I think people find it's more cost-effective when there's no sales charge up front; every dollar goes

to work immediately. There are additional 12b-1 fees, but the investor accepts that as part of the ongoing expenses of the fund."

SOME industry observers, however, believe investors should not be so accepting and should take a second look before buying Class B shares.

"It's a disservice," fund analyst Ken Weber said of the dual charging structure. "Instead of having it in one fell swoop, they put it in a 12b-1 charge. If you're going to pay a load, clearly you want to swallow the bad medicine sooner rather than later."

That seems to be true over the long run, according to a study by the fund rating service Morningstar, but the run has to be very long. Morningstar compared a number of mythical funds, each with an

annual total return of 10 percent. One fund had a 5.75 percent front-end load and a 12b-1 charge of 0.25 percent a year, another a 1 percent 12b-1 fee and a 5 percent declining redemption charge.

The fund with the deferred redemption charge gave investors a better shake until the holding period reached eight years; at that point, the fund with the front-end load proved itself the better deal. In fact, if a fund is held for nine years or more, it is even better to pay the maximum 8.5 percent sales load up front than the 1 percent 12b-1 fee and 5 percent diminishing back-end load, Morningstar found.

"In the long term it's true that funds with front-end loads are cheaper," Mr. Duret of Merrill Lynch concurred. "The investor has to decide how long he wants to hold the fund and whether he wants all

his money to go to work from the start."

Mr. Weber noted that it isn't so easy to figure out which of two classes of fund shares will cost less over different holding periods. Anytime there's a deferred charge, the actual amount is calculated based on the shareholder's assets, which, if all goes right, are more than they were when he bought in.

If a fund has doubled over the years, a 3 percent back-end load will cost the holder more dollars than a 5 percent front-end charge would have. Of course, with inflation, the dollars the shareholder pays may have become less valuable. It's complicated.

Mr. Weber also objects to the way multi-class funds are sold. "When you have people who are making a living strictly from selling a product, they have to be compensated, and that's fine," he said. "The only problem I have with that is when the client is not made aware of it. I often have people tell me they're in a no-load fund, and it turns out they're in a load fund with a high 12b-1."

Ms. Hart of the ICI responded: "We try to make everything clear in the prospectus. You really can comparison-shop and see everything. We have an advantage as an industry because the consumer has the advantage of clearly being able to see and compare."

One choice fund buyers have is to go to a direct marketer that sells funds with no sales load. When a no-load fund is compared with the other in the Morningstar study, it comes out ahead from the first day and stays that way. After 10 years the fund with the 12b-1 fee and deferred sales charge turned \$10,000 into \$21,207. The no-load fund had \$23,473. The total return over the decade was 20 percent higher.

Given a choice between paying now or paying later, Stephen Leeb, editor of the newsletter Personal Finance, said, "If you intend to hold the fund long term, I would opt for the up-front charge."

But he remarked: "I think they both stink. Given my leaning to long-term investing, I'd rather pay the load and get it over with, but I think they're both terrible. There are a lot of good funds out there without a load."



The 1840 British "Penny Black." Top specimens have appreciated 900 percent over 10 years.

Investing in Knowledge Brings Long-Term Reward in Stamps

By Philip Crawford

EVER hear of the 1840 British Penny Black? How about the 1897 Chinese Small One-Dollar Red Reserve? Or maybe the 1847 Mauritius Penny Orange?

The terms may sound like off-color brands of cheap 19th century wine, but all in fact refer to stamps, rare and valuable ones that are the philatelic equivalent of the Mona Lisa or the Venus de Milo. Moreover, the fact that top specimens of all three have appreciated in value over the past 10 years at rates of about 900 percent, 800 percent and 200 percent, respectively — in values of \$46,000, \$200,000, and \$230,000, according to several auctioneers — illustrates why a growing number of investors are entering the stamp market.

Record prices at stamp auctions are providing a showcase that draws investors in, experts say. Two shows this fall at Sotheby's in London, one specializing in pre-1861 Italian state stamps and the other a general sale, realized a total of \$730,000 (\$1.1 million). And the three-year auction of a private collection by Harmer of New York, a Manhattan philatelic concern, recently concluded with a total purse of \$10 million.

"Do owners like these make it time to sell the stocks and bonds and put everything into stamps? Not quite, experts say. Most, in fact, however, that rare stamps are a good long-term investment, provided one buys with knowledge and patience.

"Stamp collectors have traditionally been hobbyists motivated primarily by the study of stamps themselves," said Anthony Banwell, a stamp expert at Sotheby's in London. "But people interested mainly in investment value are increasingly the case, and many are buying with an eye toward resale within two to five years. They're getting into it in a more measured way than they did 15 years ago, too, which is good for the stability of the market."

Professional dealers say the philatelic boom hit its peak in the mid- to late 1970s. Then, inflation rates were high and many saw tangible goods as an effective hedge. Also, much like the Impressionist painting boom of the late 1980s, a few highly publicized blockbuster auctions hyped up interest, particularly among those looking to make a quick killing. At the market's apex, word on the street was that a 20 percent return within six or seven weeks was not uncommon.

"In those days, you had doctors and dentists putting stamps into their investment portfolios just like stocks and bonds," said Scott Trepel, president of Robert Siegel Inc., a New York philatelic dealer.

The severely inflated price bubble burst in 1979, and many investors were hit hard. The market languished through the early '80s, but then began what many dealers now describe as a slow upward climb of between 5 and 10 percent annually.

Joseph Savarese, executive officer of the American Stamp Dealers Association in Glen Cove, New York, says prices today are rising at a rate of 10 percent in 12 percent a year, fed by the demand of an estimated 23 million stamp collectors in the United States alone. The ASDA has 800 U.S. members and 400 international ones, about 90 percent of whom make a living buying and selling postage stamps.

So where does the aspiring stamp collector/investor start out? Most analysts say the best way is to contact a local dealer and go in for a chat about what kind of stamps one finds interesting, either from an academic or an investment point of view. Many dealers will likely recommend some reading on whatever genre of

stamps are discussed before making any suggestions about purchases. But a collection of viable investment quality can be started for between \$10,000 and \$20,000, experts say.

Educating oneself about stamps may indeed be the key to earning respect as well as money in the world of philately. Some dealers say that although the pure investment angle may be accepted in the art market, those buying stamps with only dollar signs in their eyes are often disdainful by philatelic scholars as crass mercenaries.

"I've seen some people who knew nothing about the field put more thought into buying a refrigerator than into spending \$50,000 on stamps," said Keith Harmer, president of Harmer of New York. "And such people usually lose. But those types are the exception. In general, one of the reasons for the stamp market's stability is that people acquire knowledge, know what they want, and are less swayed by what's hot, what's not, and who the players are than those in the painting market."

The recently concluded Harmer auction featured several 4-stamp blocks of perhaps the most famous U.S. stamp, the 1918 Inverted Biplane, which were affixed to the envelopes on which they were originally mailed. The blocks sold for between \$600,000 and \$1 million each.

Joining the uneducated in the philatelic world's doghouse is the wealthy speculator who buys the top of the market and then squirrels the stamps away in a vault where no one can enjoy them until he decides to sell. Such investors, dealers say, hurt the market by taking its finest examples out of circulation solely for their own profit.

But in the final analysis, most dealers acknowledge that even the purest, most passionate academic collector can't help but have the subject of resale value locked away somewhere in a forbidden area of his subconscious. Those who take the time to learn, many aid, are usually rewarded financially.

"We say that if you study the market, acquire some knowledge and collect for pleasure, the chances are that you'll make a good deal of money if and when you decide to sell," said Eric Etkin of Argyll & Etkin, the London philatelist.

The factors that influence value in the stamp market are pretty much what one would expect: Rarity, age, place of issue and condition being the foremost. Only 100 specimens of the U.S. Inverted Biplane stamp were ever issued because only one sheet was run through the printer before the error was discovered. Philatelists know of 93 authenticated examples. Only 32 confirmed specimens of the 1897 Chinese Small One-Dollar Red Reserve are known to exist, one expert said, and their value is considerably higher.

But as with any collectible of numerous authentic specimens, counterfeit or falsely represented stamps do appear. Buyers are thus well advised to have a stamp's authenticity verified by an independent appraiser before actually making a purchase, or should at least obtain a document from the seller stating that the sale is contingent upon certification. Although acknowledging that fraud exists, dealers say the problem is minimal.

"One thing stamp collecting has going for it that some other areas don't is a good fix on supply," Mr. Trepel said. "No unknown quantities exist, so there's little fraud in that sense. Also, stamp dealing is a closely knit, self-policing industry. If there's a bad apple out there, word gets around pretty quick."

Leveraging's Double-Whammy for Bond Investors

By Katherine Burton

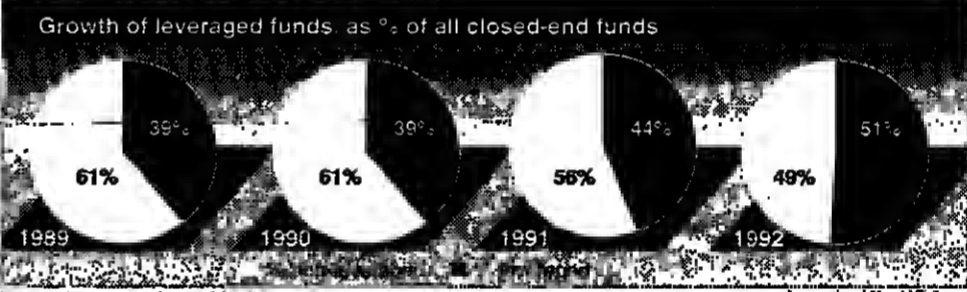
INVESTORS with mooney committed to closed-end bond funds have generally done well in recent months, but many are playing the kind of speculative game, often involving borrowing to enhance returns, that is more usually associated with the financial wizardry of the 1980s.

Closed-end fund investors should be aware that, like some money men who lost their shirts gambling with borrowed funds, they too risk getting burned. The biggest threat for closed-end funds, analysts say, comes when interest rates inevitably rise again in the United States.

Leveraged funds have been widely outperforming funds that don't borrow on their assets, which explains why more than half of all closed-end funds are now leveraged, according to Thomas Herzfeld, a Miami-based specialist in closed-end funds. With interest rates at historically low levels, leveraging funds has been a way to attract investors hankering for higher yields.

Leveraging works in the following way: Closed-end funds are allowed to issue preferred shares. Given to a price's steep yield curve, or the differential between short- and long-term rates, these funds can sell preferred shares for 7 days to 28 days paying an interest rate of about 3 percent and then use the money to invest in longer-term bonds paying 7 percent or higher. The fund then pockets the difference. By law, a fund can borrow up to 50 percent of its assets, although most funds typically leverage up to about 30 percent of their value.

If a fund leverages 50 percent of its assets, investors have \$150



Source: Thomas J. Herzfeld Advisors, Inc.

working for every dollar placed in the fund. If the bond market is on the rise, a leveraged fund will thus outperform its nonleveraged counterpart, and in turn pay higher dividends to shareholders.

In the first 10 months of 1992, for example, leveraged U.S. government bond funds produced a total return on net asset value of 10.8 percent, while nonleveraged funds had a total return of only 4.38 percent. Bigger rewards usually carry greater risks, though. With closed-end funds, there are several ways that greater-than-average returns could become larger-than-expected losses.

The first way is via interest rates. If an interest-rate rise does occur, say, to a 10 percent decrease in bond prices, a nonleveraged fund originally worth \$100,000 would see its net asset value reduced by \$10,000. But if the fund had leveraged itself 50 percent so it had assets of \$150,000, then a 10 percent drop in the market would reduce net asset value by \$15,000.

Closed-end funds also are vulnerable to a narrowing of the yield curve. Such a narrowing has already occurred in recent months as signs of growth in the U.S. economy may have pushed short-term rates up somewhat, while long-term rates have been little changed. Because closed-end funds try to profit by borrowing short-term and investing long-term, any narrowing of the yield curve threatens to reduce fund income.

The other big risk stems from the nature of closed-end bond funds, which are a fixed-income instrument dressed up like an equity. Unlike open-ended funds such as mutual funds, closed-end funds have a fixed number of shares that trade on a stock market. As a result, the value of each share is not directly linked to the net asset value of the fund, as it is with mutual funds. The price of the fund's shares depends on demand for the shares as well as the performance of the underlying bond portfolio.

So investors could take a double hit with leveraged closed-end funds if the bond market moves against them. Not only do they stand to lose from falling bond prices and reduced income, those trends also could send the fund's stock price sliding if investors try to bail out.

Ron Santangelo, closed-end fund analyst for Prudential Securities in New York, said that although he expects another cut in short-term U.S. rates before the end of the year, which should push long-term rates down to 7.25 percent, he thinks long rates could climb back in 8 percent or higher by the second half of 1993.

"Investors should reduce their exposure to leverage, using any rally to interest rates to reposition their portfolios," he said.

Exactly how much investors could lose in income depends on how much of a cushion a fund manager has created to protect dividend payments, and how often the rates on the preferred stock are reset.

Because of these variables, some analysts are still bullish on closed-end leveraged funds.

"Leveraged funds are good investments for the right type of investors who understand the inherent risks," said Anthony Maltese, a Shearson Lehman closed-end fund analyst. "There is still a decent upside." He said that although share prices of some leveraged funds have fallen in anticipation of a hike to interest rates, many are still trading at a premium to their net asset value.

Andrew Davis, closed-end fund analyst at Paine Webber in New York, agrees that investment opportunities remain. "The most important criteria in a closed-end bond fund is the dividend. If you are convinced that the dividend is secure than you can consider it a good investment."

Mr. Maltese has buys on High Yield Plus Fund and CIM High Yield Securities, two leveraged junk-bond funds. He said that dividends should increase over time, and also that the securities in these funds have little exposure to refinancing, a risk of many high-yield funds.

Analysts' Estimates of German Company Results

COMPANY	End of financial year	Earnings est. for '92 (financial year)	Last month's est.	% change	Last month's closing price	Current price	% change	P/E analysts' (est.)	No. of analysts used
ASKO DEUTSCHE	12/92	29.36	39.75	-26.2	480.0	516.0	7.5	17.80	28
HOESCH	12/92	13.28	15.99	-13.7	173.1	189.0	11.5	14.50	27
THYSSEN A G	09/92	12.49	14.55	-13.0	165.0	163.7	-0.8	13.1	35
VOLKSWAGEN AG	12/92	29.70	32.85	-9.6	267.0	287.5	7.7	9.7	35
BASF AG	12/92	16.24	15.73	-6.9	206.8	216.6	4.7	14.8	40
HOECHST A G	12/92	14.65	17.41	-6.7	220.7	242.2	9.7	14.9	38
DAMLER BENZ	12/92	54.22	57.81	-6.2	524.0	537.7	2.8	9.9	35
METALLGESellschaft	09/92	11.13	11.85	-6.1	300.0	325.5	6.5	29.3	31
VEBA	12/92	28.40	28.10	-6.1	350.0	342.5	-2.1	13.0	34
ALLIANZ	12/92	32.45	34.28	-5.3	1729.0	1867.0	14.9	61.2	32

PHILIPS KOM IND.	12/92	35.33	33.14	8.8	540.0	515.0	-4.8	14.8	6
DEPPA	12/92	34.30	32.38	5.9	603.0	663.0	10.0	19.3	5
SPRINGER	12/92	21.47	20.82	3.1	600.0	600.0	0.0	27.9	17
MAN AG	09/92	32.05	31.53	1.6	258.0	273.3	5.9	8.5	31
HOLZMANN, P.	12/92	30.01	29.71	1.0	880.0	905.0	2.8	30.2	30
S.E.L.	12/92	29.00	28.71	1.0	365.0	372.0	4.8	12.6	7
HOCHTIEF	12/92	33.46	33.19	0.8	953.0	1024.0	7.5	30.6	30
BERLINER BANK	12/92	16.00	15.93	0.5	244.0	260.0	6.6	16.2	6
AVA	12/92	30.40	30.31	0.3	527.0	550.0	4.4	18.1	21
RWE AG	06/92	25.60	25.55	0.2	378.0	401.3	6.2	15.7	34

Source: IBES Inc.

Checking the Basics on Bond Funds

THE long decline in U.S. interest rates provoked a mini-stampede among U.S. investors out of deposit accounts and into bond funds. But how many investors have asked themselves the very basic, very important questions?

Before leaving the relative safety of a deposit account, investors should satisfy themselves that they know what a bond is, what a bond fund is, and what kind of risks are associated with the various types of bond funds.

A bond is a form of IOU. When you buy a bond, you lend money to the issuer of that bond who usually offers a periodic payment of interest in return for the loan. Big corporations, banks and governments

are among the most common issuers of bonds. Government bonds are generally thought to be the safest kind of bond, because governments very rarely go bankrupt.

Bond funds are pools of bonds administered by a manager who collects the interest payments and either reinvests them or pays them out to fund investors as dividends. There is a great variety of bond funds. The two main types of funds are open-ended and closed-ended funds. Investors with a stake in open-ended funds have something that reflects exactly the value of the securities held by the fund. The manager simply adds up the market price of the securities and apportions an appropriate amount to the investor. If new investors come

in the fund, the manager simply buys more securities; if existing holders sell, the manager sells.

Closed-ended funds, on the other hand, do not rely on the manager to provide liquidity. These funds own a portfolio of securities that is essentially fixed in size, and have a fixed number of shares that trade on a stock market. Buying and selling the shares is not difficult, but the market often prices the shares differently than the value of the securities held by the fund.

The Investment Company Institute, the U.S. mutual fund industry body, has composed a paper on the basic risks of bond fund investing. Interested parties should write to the ICI, 1600 M Street, NW, Washington, DC 20036.

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SPORTS BASKETBALL

Clippers Use Their Muscle to Spoil O'Neal's California Debut

The Associated Press
It was beef-on-beef when Shaquille O'Neal made his pro debut in California.

The Los Angeles Clippers countered the 7-foot-1 (2.15-meter), 300-pound (135-kilogram) O'Neal with a couple of 300-pounders of their own Thursday night, and while O'Neal managed 26 points, he had a season-low nine rebounds in the Clippers' 122-104 victory over Orlando.

The Clippers' coach, Larry Brown, said of O'Neal: "He played really well. He will be the best. He made great post moves and his conditioning is really good. I do not see how other people guard him. He jumps so high, so strong, I'm glad we only see him twice."

Brown tried O'Neal's former LSU teammate, 7-foot Stanley Roberson, and 6-9 John Williams on the Magic rookie.

O'Neal had 16 points and six rebounds and Williams two points and two rebounds against O'Neal, but it was forward Ken Norman who hurt the Magic. Norman scored 33 points, high for a Clippers player this season, on 15-for-23 shooting.

SuperSonics 125, Mavericks 108; Shawn Kemp scored 17 points and Seattle survived a fourth-quarter rally to beat visiting Dallas.

NBA HIGHLIGHTS
The SuperSonics led 99-68 after three quarters, but the Mavericks, losers of 11 of 12 games this season, closed to 115-104 with 2:13 left behind Tracy Moore.

Bullets 113, Bucks 95: At Landover, Maryland, Washington handed Milwaukee its first lopsided loss of the season, snapping the Bucks' four-game winning streak behind Harvey Grant's 24 points. The Bucks, whose 10-3 record matched Portland's as the best in the NBA, had three losses by a total of 15 points. But they surpassed that in their fourth defeat by committing 28 turnovers, shooting 40 percent and scoring only 37 points in the second half.

Cavaliers 100, Knicks 90: Mark Price scored 25 points before leaving with a bruised hip and Cleveland limited New York's Patrick Ewing to three points after halftime.

The victory was the sixth straight for the Cavaliers against the Knicks. New York has not won in

its 11 trips to Richfield Coliseum since 1987.

New York trailed by two points on Charles Smith's jumper with 9:28 to play before a 7-0 run, capped by a 3-pointer by Danny Ferry, gave Cleveland an 87-78 lead with eight minutes left. The Knicks got no closer than six after that.

Ewing had 18 points and 12 rebounds in the first half, but made only 1 of 8 shots after halftime and finished with 21 points, 16 rebounds and six blocked shots.

Lakers 95, Rockets 89: Sam Perkins had 21 points and 13 rebounds, while guards Tony Smith and Seattle Thraet keyed offensive spurts in the second half that propelled Los Angeles to victory in Houston.

Smith scored 16 of his 18 points in the second half and Thraet 13 of his 20 after halftime for the Lakers.

Thraet hit nine straight points in a 19-5 third-quarter run that put the Lakers ahead 58-49.

Jazz 110, Timberwolves 91: Jeff Malone scored 19 points and reserve Jay Humphries had his best game of the season with 15 as Utah coasted over Minnesota.

Humphries, acquired from Milwaukee and counted on to give the Jazz a strong three-guard rotation this season, was averaging just 7.0 points for the Jazz.

But he came through against the Timberwolves as Utah won its second straight game at home. The Jazz — an NBA-best 37-4 at the Delta Center last season — are 3-4 in Salt Lake City after losing four of their first five home games.

and hit a 3-pointer with 12 seconds left to make it 75-73.

Four seconds later, Hamilton made one free throw and missed the second. Mustapha Hoff got fouled by Ken Conley on the miss and sank two free throws of his own with seven seconds to play, bringing the Beavers within 76-75.

Vann then made two foul shots with six seconds remaining and a desperation 3-pointer by Barry missed at the buzzer.

No. 20 Tulane 96, Nicholls St. 54: In New Orleans, Tulane's trapping, pressing defense forced 34 turnovers as the Green Wave (2-1) rolled to an easy victory over Nicholls State (1-1). Tulane led by as many as 50 points midway through the second half.

It was Tulane's first game without Kim Lewis, its leading scorer last season. Lewis broke his left leg in a loss at Indiana on Nov. 20.

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SIDELINES

3 Share the Lead in \$1 Million Golf

SUN CITY, South Africa (AP) — Nick Price of Zimbabwe shot a bogey-free 67 on Friday to share the lead with Ernie Els and David Frost of South Africa halfway through the Million Dollar Challenge golf tournament.

The threesome, each with a 54-hole total of 5-under-par 139, led world No. 1 Nick Faldo and John Cook by two strokes in the quest for golf's richest prize — \$1 million. Bernhard Langer of Germany, the defending champion, was another shot behind at 142.

In Melbourne, the Australian rookie Robert Allenby shot a 4-under-par 68 on Friday to take a two-stroke lead over his compatriot Mark Allen after the second round of the Johnnie Walker Classic.

Lombardi Prize to Seminole's Jones

HOUSTON (AP) — Linebacker Marvin Jones, the leader of third-ranked Florida State's defense, has won the Lombardi Award as the top college football lineman.

Jones, a finalist for the award last year as a sophomore, beat out Washington's Lincoln Kennedy, West Virginia's Mike Compton and Alabama's Eric Curry for the honor.

Jones had 111 tackles this season and constantly pressured the quarterback. Florida State's only loss was to Miami, and the Seminoles could get a rematch against the top-ranked Hurricanes in the Fiesta Bowl if No. 2 Alabama loses to Florida on Saturday.

Court Rejects Aga Kahn's Challenge

LONDON (Reuters) — The Aga Khan, one of the world's leading racehorse owners and breeders, failed on Friday in a bid to challenge the supremacy of the British Jockey Club over the disqualification of his 1989 Epsom Oaks winner Alyssa.

Three Court of Appeal judges, sitting at the High Court in London, held that the ruling by racing's all-powerful controlling body was out open to judicial review. They ruled that such a review was confined to matters of public law involving governmental bodies and tribunals — but not organizations like the Jockey Club.

The senior judge, Sir Thomas Bingham, accepted that the Jockey Club regulated a significant national activity, exercising powers affecting the public in the interest of the public. But in a comment which appeared to leave the door open for a further appeal to the House of Lords, he added that he was not ruling that the club's decisions could in no circumstances be susceptible to judicial review.

FIFA Upholds Ban on Yugoslavia

ZURICH (AP) — The ruling body of world soccer on Friday rejected a request that it reconsider a ban on Yugoslavia from competition for the 1994 World Cup, a spokesman said.

FIFA ruled on Oct. 1 that Yugoslavia would be barred because of United Nations sanctions on Serbia and Montenegro, the two remaining Yugoslav republics. But the Yugoslav prime minister, Milan Panic, had written to FIFA requesting that it reconsider.

The FIFA executive committee considered the letter at its meeting on Friday, said a FIFA spokesman, Guido Tonogoni. But he said "nothing has changed, and we cannot reconsider this request."

Maradona Allowed to Stay in Seville

ZURICH (AP) — Soccer's ruling world body on Friday rejected a protest from the Italian club Napoli and said the Argentine striker Diego Maradona could continue playing for Sevilla, a spokesman said.

The FIFA executive committee found the bank guarantees provided by Sevilla were adequate. The decision was the latest round in a long-running dispute over Maradona. Sevilla bought the rights to the player from Napoli in a \$7.5 million deal worked out in September.

Coach Says Strauss May End Career

BONN (Reuters) — The former world champion Astrid Strauss is likely to quit swimming after her doping ban was increased by a year, but the case has still been a major embarrassment to Germany, a top coach said Friday.

The International Swimming Federation increased Strauss's international ban to 18 months on Thursday after the German federation, the DLV, had struck a deal with the swimmer to keep the suspension down to six months. The German national team coach, Manfred Thiesmann, said the idea of the federation seemingly bargaining with Strauss, who had fought the ban through Germany's civil courts, had damaged the country's international image.

"All the signs are that Strauss will probably not swim any more," Thiesmann said. "But it has been embarrassing to see the DLV getting involved in compromises."

The federation struck a deal with Strauss, who blames a positive test in March for the steroid testosterone on a heavy beer-drinking session, to keep the ban low by not reporting the case to the international body. But the body's general secretary, Gunnar Werner, called for a special report on the matter and the group decided on Thursday to extend the ban internationally for 18 months.

For the Record

Jeff Harding of Australia retained his WBC light-heavyweight boxing title by outpointing David Vedder of the United States on Thursday in St. Jean de Luz, France. (Reuters)

Oklahoma Sputters Past Revved Up Oregon State

The Associated Press
Oklahoma sputtered in its season opener against Oregon State, shooting poorly and getting frustrated at both ends of the floor.

Then it finally happened — a 10-0 run sparked by the defense that gave the 15th-ranked Sooners an 11-point lead and got the home crowd rocking.

The joy didn't last long. Oregon State made big shots down the stretch while Oklahoma played poorly, and the Sooners had to hang on for a 78-75 victory Thursday night.

Oregon State made three 3-pointers in the final 1:25, but couldn't overcome 23 turnovers and foul trouble.

The Beavers were tied at halftime and only trailed 58-57 with nine minutes left.

Then Oklahoma finally got something going.

The Sooners, sparked by two steals by Angelo Hamilton, scored 10 straight points to take a 68-57 lead with 4½ minutes to play.

But Oklahoma couldn't maintain the momentum. A 3-pointer by Charles McKinney, his fourth, brought the Beavers within 71-65 with 1:25 left. Then Brent Barry picked off a bad pass and went in for a dunk to make it 71-67.

Two free throws by Bryant Vann gave Oklahoma a six-point lead, but a 3-pointer by Kareem Anderson made it 73-70 with 35 seconds left.

Oklahoma led 75-70 and had a 3-on-1 break after an Oregon State miss, but Hamilton tried a behind-the-back pass and Barry intercepted

and hit a 3-pointer with 12 seconds left to make it 75-73.

Four seconds later, Hamilton made one free throw and missed the second. Mustapha Hoff got fouled by Ken Conley on the miss and sank two free throws of his own with seven seconds to play, bringing the Beavers within 76-75.

Vann then made two foul shots with six seconds remaining and a desperation 3-pointer by Barry missed at the buzzer.

No. 20 Tulane 96, Nicholls St. 54: In New Orleans, Tulane's trapping, pressing defense forced 34 turnovers as the Green Wave (2-1) rolled to an easy victory over Nicholls State (1-1). Tulane led by as many as 50 points midway through the second half.

It was Tulane's first game without Kim Lewis, its leading scorer last season. Lewis broke his left leg in a loss at Indiana on Nov. 20.

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COLLEGE BASKETBALL

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IAAF Says It Considers Libel Suit

The Associated Press
LONDON — The International Amateur Athletic Federation on Friday dismissed a U.S. court judgment awarding Butch Reynolds \$27.3 million as "worthless" and said it would consider suing the runner for libel.

The IAAF said it also could impose a further ban on Reynolds, the world-record holder in the 400 meters. His suspension ends Dec. 31.

A federal judge in Columbus, Ohio, made the award against the IAAF on Thursday. The judge found that Reynolds, a silver medalist in the 400 at the 1988 Olympics, lost \$4.3 million in potential earnings during his suspension. In addition, Reynolds was awarded \$20.5 million in punitive damages.

Reynolds was banned by the IAAF for two years after testing positive for the banned steroid Nandrolone in August 1990. Although Reynolds has maintained his innocence, an IAAF arbitration panel upheld the ban in May.

In a statement on Friday, the IAAF said the arbitration panel's ruling was binding, and it threatened action against Reynolds.

"It has been suggested that the results of these proceedings in some way vindicates Mr. Reynolds," the statement said. "They do not. The award of damages is effective only in Ohio."

The federation said that at its next meeting, in January, it would "consider the possibility of commencing proceedings against Mr. Reynolds for libel and taking further disciplinary action under IAAF rules."



WEATHER BEATEN — A. J. Kitt of the United States soaring to the fastest time in the first leg of the men's downhill Friday in Val d'Isère, France. But after first being delayed, the race was canceled because of high winds and heavy snow. Kitt won the downhill at Val d'Isère last year.

5-Year Deal to Keep Puckett With Twins

Compiled by Our Staff From Dispatches
MINNEAPOLIS — Kirby Puckett ended months of speculation about his future on Friday when he agreed to remain with the Minnesota Twins for a five-year contract worth about \$30 million, sources said.

The deal was set to be announced at a news conference later Friday.

Puckett, 31, has spent his eight-year career in the major leagues with the Twins. He helped lead Minnesota to World Series titles in 1987 and 1991 and is a six-time Gold Glove outfielder.

He has a .321 career average. He was second in the American League last season at .329, led both leagues in hits with 210, drove in 110 runs and finished second in the voting for AL MVP.

Puckett tentatively agreed to a five-year deal with the Twins worth \$27.5 million in July, but owner Carl Pohlad reportedly nixed it.

Earlier this week, Puckett visited with officials from the Boston Red Sox and the Philadelphia Phillies.

Also Friday, the Houston Astros added their second premier pitcher this week, agreeing to a \$17 million, four-year contract with left-hander Greg Swindell.

Swindell, 27, who pitched last season for Cincinnati, lives in Houston and played at the University of Texas. His first choice was to play with the Astros.

Swindell was 12-8 last season with a 2.70 earned run average and has a 72-63 career record. He spent his first five seasons with Cleveland before the Indians traded him to the Cincinnati Reds last year for right-handers Jack Armstrong, Scott Scudder and Joe Turck.

The deal, which contains a cloth option for 1997, was scheduled to be announced at a news conference later Friday.

On Tuesday, the Astros agreed to a \$19.5 million contract with Doug Drabek, the 1990 National League Cy Young Award winner.

The New York Yankees planned to announce on Friday that they had agreed with shortstop Spike Owen on a three-year, \$7 million contract.

Owen, 31, hit a career-high .269 with seven home runs and 40 RBIs last season for Montreal. He made nine errors in 116 games.

Owen, who made \$1.1 million in 1992 in the last season of a \$3,255,000 contract, gets a \$750,000 signing bonus, \$2 million in 1993, \$1 million in 1994 and \$3.25 million in 1995.

The Yankees and Barry Bonds, meanwhile, did not speak after Bonds rejected their offer.

Bonds does not have a long line of teams waiting to sign him after his agent's initial demand of \$50 million for seven years.

Noting Bonds' rejection of the Yankees' offer of slightly more than \$36 million for five years, a club official familiar with the pursuit of the two-time most valuable player said Thursday that two teams remained in serious contention.

The official identified one team interested in Bonds as the Boston Red Sox. He said the other team was in the National League but would not identify it. Executives of every National League club — all 14 were contacted in the past two days — said their club was out of the one, although some said they would love to have Bonds.

(AP, NYT)

DENNIS THE MENACE



PEANUTS



BLONDIE



WIZARD of ID



REX MORGAN



JUMBLE



BEETLE BAILEY



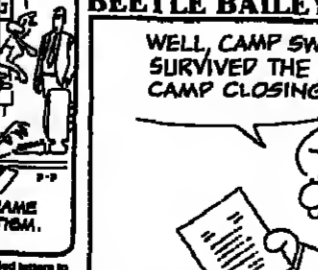
DOONESBURY



GARFIELD



REX MORGAN



DOONESBURY



GARFIELD



REX MORGAN



DOONESBURY



GARFIELD



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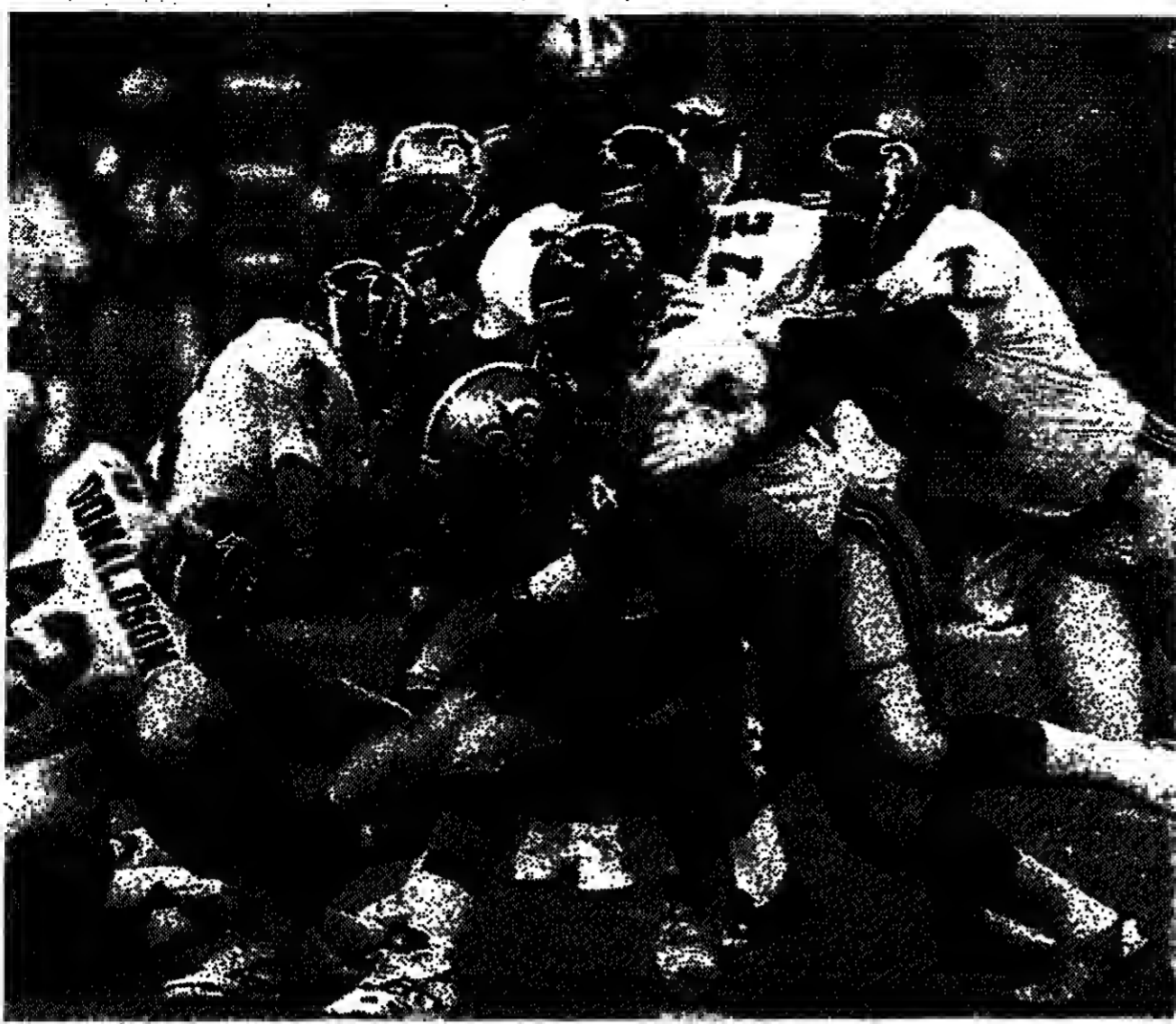


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SPORTS TENNIS

Saints Gain Playoff Spot With Defeat Of Falcons

The Associated Press NEW ORLEANS — The New Orleans Saints had great defense, good offense and a great kicker, which added up to a 22-14 victory and a playoff berth.



The Saints' fullback Craig Hayward was swamped from all sides by Falcons defenders, but he managed to gain four yards on the play.

Agassi Gives Lead to U.S. Hlasek of Switzerland Falls in Cup Opener

The Associated Press FORT WORTH, Texas — Andre Agassi trounced Jakob Hlasek, 6-1, 6-2, 6-2, Friday to give the United States a 1-0 lead over Switzerland in the best-of-five Davis Cup tennis finals.

"John is the ultimate team player," added Pete Sampras, the world's No. 3 player, who will play doubles with McEnroe against Hlasek and Marc Rosset on Saturday. The reverse singles are scheduled for Sunday.

Agassi said that as much as they wanted to win a second Davis Cup in three years for the United States, the U.S. players wanted to win it for McEnroe.

Eagles Set to Blitz Vikings, Cowboys Go Mile-High Against the Broncos

New York Times Service VIKINGS (9-3) at EAGLES (7-5) Key stats: Vikings' defense has 24 interceptions and no other NFC team has 20; Eagles rank only 11th in NFC pass defense.

JETS (3-9) at BILLS (9-3) Key stats: Jets have scored one touchdown in their last nine quarters; Bills' 314 points lead the AFC.

SEA HAWKS (2-10) at STEELERS (9-3) Key stats: Steelers are 5-0 at home this season; Barry Foster has nine 100-yard rushing games.

CHARGERS (7-5) at CARDINALS (3-9) Key stats: Chargers started 0-4 and then went 7-1; Cardinals (along with Minnesota) have lost an NFC-high 13 fumbles.

RAMS (4-8) at BUCCANERS (4-8) Key stats: Rams have been outscored in rushing touchdowns by 18-8; running back Reggie Cobb has 237 of Buccaneers' 336 rushing attempts.

NFL MATCHUPS strong arm. If given time, he should find holes in the Eagles' pass defense. The problem is pass protection, which Philadelphia must negotiate with an effective blitz package.

COLTS (5-7) at PATRIOTS (2-10) Key stats: Colts have scored only 163 points, one more than New England; Patriots managed only 15 passing yards in a 34-0 loss to Atlanta.

SOCCER ENGLISH F.A. CUP Premier League: Liverpool 1, Manchester United 0; Chelsea 1, Tottenham Hotspur 0.

CRICKET WORLD SERIES CUP Pakistan vs. West Indies: Pakistan won by 5 wickets.

COLLEGE ARKANSAS—Norman Larry Van Der Horst named Buddy Kline assistant football coach.

SCOREBOARD

Table with columns for BASKETBALL, NBA Standings, and Eastern Conference. Lists teams like Orlando, New York, and Boston with their records.

Table with columns for HOCKEY, NHL Standings, and various divisions like Patrick, Adams, and Campbell.

Table with columns for THURSDAY'S RESULTS, Soccer, and Cricket. Lists match results and scores.

Table with columns for TENNIS, American League, and National League. Lists tennis match results and baseball game scores.

Table with columns for TRANSACTIONS, Soccer, and Cricket. Lists player transfers and match results.

Table with columns for COLLEGE, Arkansas, and other news items. Lists college coaching changes and other sports news.

Advertisement for SSP (Sports and Services Provider) featuring NFL Betting and a large graphic of a football player.

Advertisement for Week 14 Games, listing favorite and underdog teams for Sunday and Monday.

Advertisement for BELLE EPOCH and MERCEDES, offering car services and financing.

Advertisement for ESCORTS & GUIDES, listing various travel and escort services.

Advertisement for CHECK THE HIT WEEKLY CLASSIFIED SECTIONS, listing various classified ads.

DAVE BARRY

Killer Yule Trees

MIAMI—Tis the holiday season—a time when writers openly use words like "tis" and even "twas"; a time when throngs of excited parents bustle into the Toys "R" Us "Catching 'U' Pien-"

drummers milking "EIGHT leapers leaping "SEVEN figgy puddings "SIX snakes a-molting . . . Yes, the holiday season is a time of traditions, and here in the news-

No, seriously, the article states that the boy was able to reach a phone, whereupon "police and firefighters pulled the tree off the boy, who was not injured."

So today I want to discuss a potential holiday disaster that was brought to my attention by alert reader Debby Dennison, who sent me an Associated Press article that appeared last December in the Albany (New York) Times Union.

—started to woof, the boy shoved

him off the rug. Naturally this caused the Christmas tree to fall. Christmas trees have some kind of inner-car problem that renders them incapable of standing erect for any significant length of time.

Compounding the problem is the fact that Christmas trees are known to be among the most vicious members of the plant community. They become especially hostile after they've spent weeks tied up tightly at the Christmas-tree sales lot while holiday shoppers repeatedly lift them up and pound them down to see if any needles fall off.

His influence and celebrity were confirmed in 1979 when he appeared on the cover of Time magazine, wielding a model of his monumental AT&T building as if it were a sword.

But getting back to The Associated Press article: There the boy was, alone in his house, trapped under a highly aggressive Christmas tree.

Fortunately, Pookie saw what was happening, trotted alertly over to the boy, and, in the heroic tradition of resourceful canines Lassie and Rin Tin Tin, threw up.

So fortunately this story has a happy ending, which is good, because the holiday season should be a happy time. So before we create the impression that there's nothing more to this very special time of year than tree attacks, we'd like to wish you the best, and leave you with this holiday thought: Both holly AND mistletoe are poisonous.

—started to woof, the boy shoved

The Latest Incarnation of Philip Johnson

By Michael Z. Wise Washington Post Service

NEW YORK — As one of America's best-known practitioners of architecture, Philip Johnson is inevitably labeled dean of the profession. But those less enamored of his protean, power-broker approach to design consider him the Godfather.

His current incarnation comes after more than two decades in tandem with the Chicago architect John Burgee. With Johnson's stylish flair and vision complementing Burgee's administrative skills, the duo formed one of the most dominant and prolific American architectural partnerships.

Adapted at certifying trends, Johnson helped introduce the so-called International Style to the United States in 1932 as a curator at New York's Museum of Modern Art. After studying under Walter Gropius at the Harvard Graduate School of Design, he joined forces with Ludwig Mies van der Rohe to create the landmark Seagram Building on Park Avenue.

His influence and celebrity were confirmed in 1979 when he appeared on the cover of Time magazine, wielding a model of his monumental AT&T building as if it were a sword.

Giving his own account, the 59-year-old Burgee says: "Philip and I had always talked about the fact that at some point I would carry on the firm. Through the years that was always difficult to establish because he was a more flamboyant figure and a figure that the press liked to cover in greater detail.

Though he complains of being more easily shovelled aside, Philip Courtney Johnson is not one to be shovelled aside. Armed with genetic longevity and a knack for cultivating business, he appears to have recovered from physical and professional setbacks.



A new phase for a well-known American architect.

A commission to redo the Trump resort facade is among half a dozen projects the architect has in the works, including a Berlin office building at the former Checkpoint Charlie border crossing and an addition to Fort Worth's Amon Carter Museum, which Johnson designed in 1961.

"I've never had so much fun in all my life," Johnson enthuses. He puts in four full days a week at the office. A fifth is spent drawing at his celebrated Glass House in New Canaan, Connecticut.

Johnson vows to restore attention to detail. "Now when I do something I watch every little edge, corner of every table, every heating fixture, every lighting fixture."

It was this painstaking approach that he took to the interiors of the Seagram Building. But no sooner was the stately tower completed in the late 1950s than Johnson opted for a more sculpted eclecticism in designs for the original Amon Carter Museum, the New York State Theatre at Lincoln Center and the Sheldon Memorial Art Gallery in Lincoln, Nebraska.

He is also cooperating with the author of his first full-scale biography, the Chicago critic Franz Schulz. Publication was originally slated only after Johnson's death; late 1993 is now the target date.

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Architecture in the main is something that is more apt to be run by popes, kings and generals than by public vote. And so I got interested in getting things done in a grand way," he said. In retrospect, he voices shame at his stance toward Nazism, quietly stating, "I lost my mind."

Letly he has offered his services on an alteration of his most celebrated work. Acting as a consultant, Johnson has given his imprimatur to plans by Gwathmey Siegel & Associates to convert part of the AT&T building into a mini-shopping mall. After the breakup of its communications monopoly, AT&T moved out of the pink granite structure, and the new owner, Souy, wants to enclose the easily rentable street-level loggia that brought the building part of its acclaim.

Moving along himself, Johnson has now ditched postmodernism for deconstructivism. He marked the change in 1988 by returning to the Museum of Modern Art to curate a show of seven disparate proponents. Deconstructivism, he wrote in the catalogue, is no new style.

Explaining the mutation, Johnson says: "We had to change, we had to go through this period. One or two things good came out of it. But on the whole I like these new directions. I like to be in the forefront of things."

PEOPLE

Liberty Bows to Palace: No Dummies, Please

Once upon a time in the West End: Liberty of London has dismantled a Christmas window display featuring puppet caricatures of three members of the royal family — Prince Andrew, the Duchess of York and Prince Edward. The Sun newspaper says the withdrawal was done after Buckingham Palace complained. The puppets were dressed as characters from pantomime: Andrew, the third oldest of Queen Elizabeth's four children, was Prince Charming; his estranged wife, the duchess, was a Cinderella, and Edward, the youngest of the queen's children, was one of the Ugly Sisters from the Cinderella story. Puppets of non-royals remain: Prime Minister John Major is one of the Babes in the Woods and the pop star Cher is Mother Goose.

Princess Stephanie of Monaco has left the hospital and gone home with her week-old son, Louis. Stephanie managed to evade a horde of reporters and photographers waiting outside the Princess Grace hospital.

Kevin Roche, the Irish-born designer of such landmarks as the Oakland Museum in California and the Ford Foundation headquarters in New York, has been named the winner of the 1993 American Institute of Architects' Gold Medal. Roche joins such other architects as Walter Gropius, Le Corbusier, Tange Kenzo and Buckminster Fuller in receiving the medal, considered architecture's highest honor.

Dewi Sukarno, the former Indonesian first lady, has pleaded guilty in Colorado to slashing a socialite's face at a bash in Aspen in January. She is to be sentenced in January on a misdemeanor charge of disorderly conduct for attacking Maria Osmena with a champagne flute. Osmena, whose grandfather founded the Nationalist Party in the Philippines, had a shard of glass removed from her cheek and received 37 stitches.

INTERNATIONAL CLASSIFIED Appears on Pages 6 & 7

WEATHER

Weather forecast section including maps for Europe, North America, Asia, and Oceania, with temperature and precipitation data for various regions.

Court Cases By Jeanette K. Brill

Crossword puzzle grid with clues for Across and Down sections, including words like 'Weep aloud', 'Choir member', and 'Jehosaphat's father'.

BOOKS

DONOVAN'S WIFE

By Tom Wicker. 335 pages. \$22. Reviewed by Patrick Anderson. TOM WICKER recently retired after three decades as a political reporter and columnist for The New York Times.

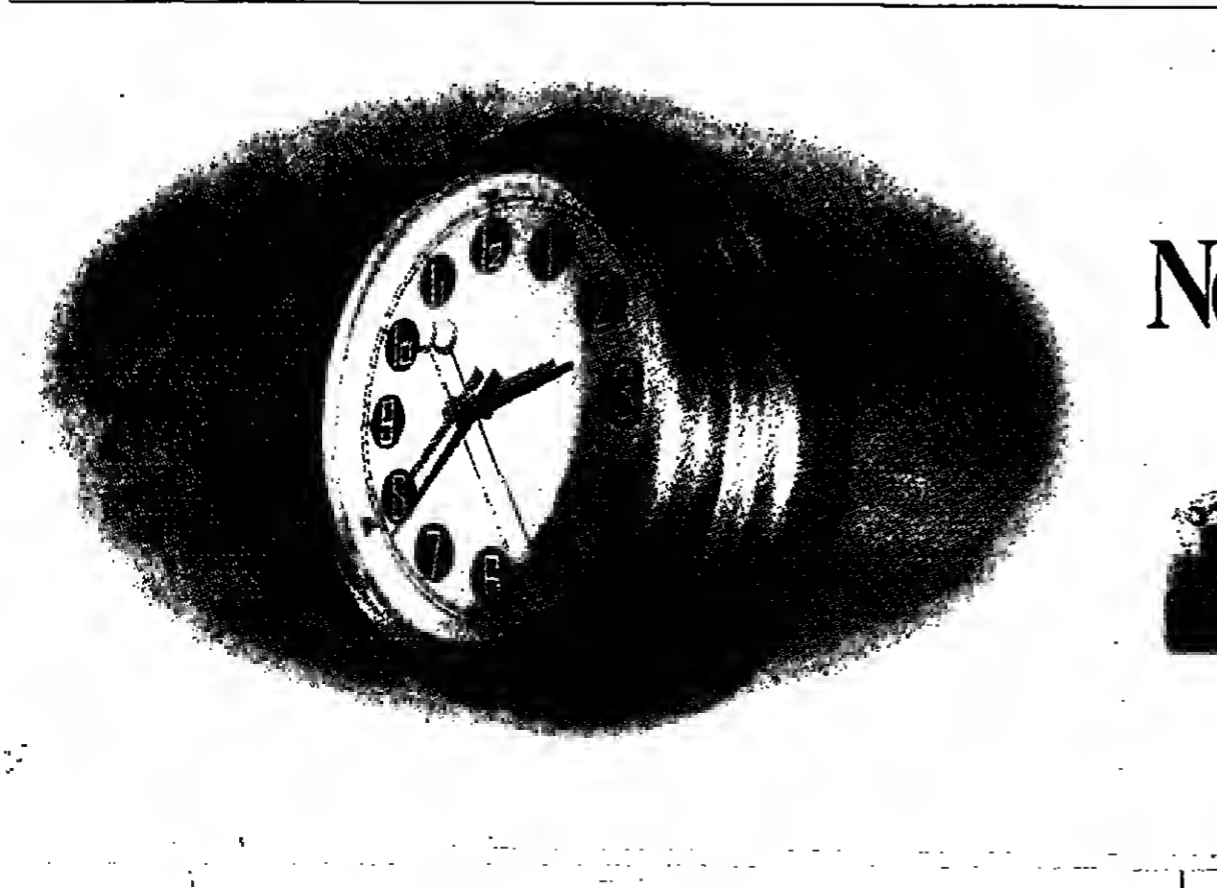
challenge a respected older senator with presidential ambitions. The party boss provides him with a go-for-the-jugular young media consultant, who proceeds to accuse the senator of having had an affair with a female lobbyist.

send the reader screaming to "Monday Night Football," MTV or the nearest bar. Happily, there is another level, involving two people who stand apart from the prevailing venality.

Inevitably, the romance that Josie and Speed had thought secure becomes caught up in the maelstrom of her husband's campaign.

Wicker manages a good deal of suspense, both on who will win the election and how the lovers will survive the scandal.

Patrick Anderson, whose political novels include "The President's Mistress" and "Busybody," wrote this for The New York Times.



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